

# CONCORD BIOTECH LIMITED

B-1601-1602, B-wing Mondeal Heights, Iskcon Cross Road, S. G. Highway, Ahmedabad-3800015, Gujarat.

Phone: +91-79-68138700 Fax : +91-79-68138725 CIN No.: L24230GJ1984PLC007440

Email ID: [complianceofficer@concordbiotech.com](mailto:complianceofficer@concordbiotech.com)

July 01, 2024

To The Manager, Listing Department <b>National Stock Exchange of India Ltd.</b> Plot No. C/1 G Block, Bandra-Kurla Complex, Bandra (East), Mumbai -400 051 Symbol: CONCORDBIO	To General Manager, Listing Department <b>BSE Limited</b> Phiroze Jeejabhoy Towers, Dalal Street, Mumbai – 400 001 Scrip Code: 543960
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Dear Sir/Ma'am,

**Sub.: Annual Report -Disclosure under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations')**

Pursuant to Regulation 34 of Listing Regulations, please find enclosed Annual Report of the Company for the Financial Year 2023-24.

Kindly take the above on records.

Thanking you,

**For Concord Biotech Limited**

**Prakash Sajnani**  
**Company Secretary and Compliance Officer**  
**M. No. F6242**

***Encl: as above***

# FERMENTATION: NATURE'S BLUEPRINT, OUR EXPERTISE



# Across the Pages

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**Disclaimer:** This document contains statements about expected future events and financials of Concord Biotech Limited ('The Company'), which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to this disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

### Investor Information

Market Capitalisation as of 31 <sup>st</sup> March 2024	INR 15,910.03 Mn
CIN	L24230GJ1984PLC007440
BSE Code	543960
NSE Symbol	CONCORDBIO
AGM Date	29th June 2024
AGM Venue	Through Video Conferencing / Other Audio Visual Means (VC)



## OUR APPROACH TO REPORTING

### About this Report

At Concord Biotech Limited, we are dedicated to reporting the financial and non-financial performance of our Company in compliance as per the regulatory requirements of the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our Integrated Annual Report is crafted in alignment with the Integrated Reporting <IR> Framework by IIRC. It offers a comprehensive and detailed overview of our business performance, showcasing how we manage our various stakeholders and create shared value through our corporate governance strategy and risk management, stakeholder engagement, and sustainability initiatives.

### Frameworks and Guidelines

The content and structure of this Annual Report is guided by the framework endorsed by the Integrated Reporting <IR> Council. Besides, we fully comply with the NSE & BSE listings and SEBI Compliances. We are committed to embracing the best practices in reporting to ensure transparency and better stakeholder engagement.

### Scope and Boundary

This Annual Report comprises all the relevant aspects of the operations of Concord Biotech Limited. It also consists of the desired statutory disclosures and audited annual financial statements for the year ended 31<sup>st</sup> March 2024.

### Assurance

Concord Biotech Limited's Board of Directors and its subcommittees have thoroughly reviewed the Report, ensuring its materiality, accuracy, and balance of disclosures. The Board opted not to seek independent assurance for the Report beyond the annual financial statements.





Fermentation:

# Nature's Blueprint, Our Expertise

Nature has provided us with a remarkable blueprint – the process of fermentation. At Concord Biotech Limited ('Concord,' 'We,' or 'Our Company'), we have studied and mastered this blueprint, harnessing the power of fermentation to develop innovative pharmaceutical solutions.



Our expertise in fermentation spans over two decades, during which we have precisely controlled diverse process parameters and harnessed the remarkable capabilities of microorganisms. This mastery has allowed us to create a robust portfolio of fermentation-derived active pharmaceutical ingredients (APIs) across immunosuppressants, oncology, anti-infectives, and antifungals.

Fermentation is deeply woven into the fabric of our operations — from our state-of-the-art manufacturing facilities designed for the processes to our continuous R&D efforts focussed on enhancing existing products and pioneering new formulations inspired by Nature's blueprint. We are committed to leveraging the ingenious process of fermentation to deliver superior pharmaceutical solutions that can improve lives worldwide.



# Achieving All-Round Excellence with Our Expertise

FY 2023-24 Highlights

At Concord, we are committed to fostering robust and dependable relationships with our key partners. This drives our holistic efforts to create lasting value. Throughout FY 2023-24, we continued our growth journey with resilience amid fluctuating macroeconomic conditions.

## Operational Highlights

**30**

Fermentation-based APIs

**1,250 m<sup>3</sup>**

Total installed capacity

**3**

No. of manufacturing facilities

## Key Business Metrics

**20 %+**

Market share by volume in 5 molecules

**70 +**

Countries

**250 +**

Customers across geographies



## Financial Highlights

**INR 1,016.9 Crores**

Revenue from Operations

**INR 434.9 Crores**

EBITDA

**INR 308.1 Crores**

PAT

**27 %**

ROCE

**20 %**

ROE

**INR 1,526.6 Crores**

Net worth

**INR 265.5 Crores**

Cash generated from operating activities



# From the Chairman's Desk

Chairman Message



During the year, we achieved significant operational milestones that fortified our growth trajectory. The successful regulatory inspections such as ANVISA and other inspections during the year have strengthened our position to cater to regulated and emerging markets globally. We expanded our geographical footprint through applications and registrations in emerging and regulated markets. Our comprehensive 30 fermentation based product portfolio of API will further strengthen with additional launches, particularly in oncology and anti-infectives, over the coming years.

#### Dear shareholders,

It is with immense pride and privilege that I present Concord Biotech's annual report for FY 2023-24. Our remarkable journey this year has been marked by a robust financial performance, rapid expansion, and a strong commitment for sustaining high growth.

#### Navigating Global Economic Challenges

The global economic landscape has seen significant volatility and uncertainties. These challenges have tested the resilience of countries and businesses alike. Geopolitical tensions, inflationary pressures, and pandemic aftershocks have reshaped the economic narrative. This has further led to supply chain disruptions, fluctuating commodity prices, and shifts in consumer behaviour. Despite these headwinds, the world economy has demonstrated resilience, with pockets of growth emerging across regions.





## India's Economic Ascent

In this challenging environment, India has emerged as an economic leader, providing hope and strength. The RBI forecasts an impressive 7% real GDP growth for FY 2024-25, marking the third consecutive year of such robust projections. India's strong domestic demand, pragmatic reforms, and prudent policies have propelled it to global prominence, attracting attention from investors worldwide. While central banks temporarily paused interest rate hikes as inflation moderated, efforts to sustain downward inflationary pressure limited the scope for rate cuts. India's manufacturing sector, bolstered by initiatives like 'Make in India' and the PLI scheme, is poised to become a USD 1 Tn industry by FY 2025-26.

## Concord Transformative Journey

We started our Company in 2000, focused on a single product. Over the years, our determination and hard work has helped us grow into a leading provider of fermentation-based active pharmaceutical ingredients (APIs) across multiple therapeutic areas. Some of our key milestones in this journey include securing global regulatory approvals, setting up advanced manufacturing facilities, and launching innovative products. The crowning moment was our successful IPO launch in FY 2023-24, which witnessed an overwhelming investor response, strengthening our financial position for sustainable value creation.

## Operational Highlights

During the year, we achieved significant operational milestones that fortified our growth trajectory. The successful regulatory inspections such as ANVISA and other inspections during the year have strengthened our position to cater to regulated and emerging markets globally. We expanded our geographical footprint through applications and registrations

in emerging and regulated markets. Our comprehensive 30 fermentation-based API product portfolio will get further strengthened with additional launches, particularly in oncology and anti-infective, over coming years. Our formulation business exhibited remarkable revenue growth, showcasing our operational prowess. We made significant progress towards commercial production of our injectable facility, which is expected to start in FY 2024-25, enhancing our integrated offerings. Recognising immense potential, we made inroads and progressed towards Contract Development and Manufacturing Organisation (CDMO) space. Financially, we recorded a 19% year-on-year (y-o-y) revenue growth and a 28% increase in profit after tax, while maintaining nearly debt-free status as on 31<sup>st</sup> March 2024, reflecting our financial prudence and operational excellence.

## Digital Transformation and Technology Adoption

In the rapidly evolving pharmaceutical landscape, we recognise the importance of embracing digital transformation and leveraging new technologies. We are actively exploring opportunities in areas such as AI, data analytics, and digital platforms to enhance our operational efficiency, decision-making, and customer experiences. This strategic focus will enable us to stay ahead of the curve and serve our stakeholders better.

## Commitment to Sustainability

Paving the way for a greener future, our commitment remains steadfast towards sustainable manufacturing processes that have minimal environmental impact. Through advanced water treatment methods, we aim to enhance water quality, lower chemical oxygen demand levels, and ensure cleaner water availability. Moreover, we prioritise environmental protection by

minimising our ecological footprint. By planting trees in and around our premises, we actively contribute to reducing harm to ecosystems and preserving biodiversity.

## Future Growth Strategies

Our future prospects are promising, with a diverse fermentation-based API portfolio catering to multiple therapeutic areas. Introducing new products, foraying towards CDMO services, and commercialising our injectable facility in FY 2024-25 will fortify our integrated supplier position. Our cutting-edge capabilities, robust R&D, stringent regulatory approvals, and backward integration advantages position us for market leadership, global expansion, and sustainable growth. Over next three to five years, we strategically plan to introduce 3-5 new products, focusing on oncology and anti-infectives, driving long-term revenue growth and market position.

## Gratitude Note

I am grateful to our shareholders, customers, employees, and all stakeholders for their support and trust in our vision. Your belief in our journey has been the driving force behind our success. Together, we will continue scaling new heights, and innovating for human health and the global pharmaceutical industry.

As we embark on the next phase, we remain steadfast in our commitment to excellence, innovation, and sustainable growth. We look forward for creating stakeholder's value and contributing to the pharmaceutical industry's advancement while positively impacting people's lives worldwide.

Thank you for your continued support and confidence in our Company.

Yours Sincerely,

**Sudhir Vaid**



# MD and CEO's Communique

CEO message



Our success is driven by a well-defined set of strategic imperatives that align seamlessly with our vision and the industry's growth trajectory. At the forefront lies our relentless pursuit of innovation and product expansion. We continuously introduce new fermentation-based APIs and diversify into different therapeutic segments. Our goal is to build a portfolio of products that can become a one-stop shop for our formulation partners, reflecting our commitment to being a comprehensive solutions provider.

## Dear Esteemed Investors and Stakeholders,

It is with immense pride and gratitude that I present to you Concord Biotech's first Annual Report following our successful listing. Our strong commitment to excellence, strategic vision, and resilience have enabled us to navigate the challenges posed by the global economic landscape, emerging as a leader in the fermentation-based API and finished formulations industry.

A significant milestone in our journey was the excellent Initial Public Offering (IPO) in August 2023. This momentous event marked our transition from a privately held Company to a publicly listed entity on the NSE and BSE. *The IPO was oversubscribed 25 times, reflecting the investors' strong confidence in our strategic direction and growth prospects. This increased visibility and credibility in the market, positions us well for future growth and expansion.*



The global pharmaceutical industry is undergoing a transformative phase, driven by rapid advances in biotechnology, personalised medicine, and a heightened focus on sustainability. The demand for high-quality, cost-effective pharmaceutical products are at an all-time high, propelled by increasing healthcare needs, an ageing population, and the continuous emergence of new diseases. Fermentation-based pharmaceuticals, in particular, are gaining significant traction due to their efficacy, ability to address complex medical conditions, and growing acceptance in both developed and developing markets. The industry is also witnessing a surge in demand for specialty medications, biopharmaceuticals, and generics, presenting significant growth opportunities for companies like Concord Biotech.

At Concord, we have capitalised on these favourable industry dynamics, achieving significant financial milestones. Our revenue for FY 2023-24 stood at INR 1,016.9 Crores, reflecting a remarkable 19% Y-o-Y growth. Our profitability also soared, with our EBITDA margin increasing by 230 basis points to 42.8%, and our profit after tax (PAT) growing by 28% to INR 308.1 Crores, with a PAT margin improvement of 220 basis points to 30.3%. Furthermore, our nearly debt-free status as of 31<sup>st</sup> March 2024 has strengthened our financial position, enabling us to pursue strategic growth opportunities with confidence.

Our success is driven by a well-defined set of strategic imperatives that align seamlessly with our vision and the industry's growth trajectory. At the forefront lies our relentless pursuit of innovation and product expansion. We continuously introduce new fermentation-based pharmaceutical APIs and diversify into different therapeutic segments. *Our goal is to build a portfolio of products that can become a one-stop shop for our formulation partners, reflecting our commitment to being a comprehensive solutions provider.* Our primary focus remains on expanding our geographical reach, diversifying

**Compliance and regulatory approvals are paramount in our industry, and we strongly emphasise securing necessary approvals for our manufacturing facilities. This positions us as a trusted partner serving both regulated and emerging markets with confidence.**

our product portfolio, increasing our customer base, and enhancing wallet share among existing customers. In FY2023-24, we added 2 new products in Immunosuppressants and Anti-Infectives, bringing our total product count to 30. In Formulations, we added 21 products in Nephrology, Critical Care, and Rheumatology, increasing our total count to 98. We are continuing to invest in R&D for new product development and have a robust pipeline of more than 10 products planned for introduction over the coming years. Simultaneously, we are exploring opportunities in the CDMO business to amplify our growth prospects.

Compliance and regulatory approvals are paramount in our industry, and we strongly emphasise securing necessary approvals for our manufacturing facilities. This positions us as a trusted partner serving both regulated and emerging markets with confidence. Moreover, our commitment to sustainable and ethical practices enhances our market standing, reflecting our dedication to making a strong global environmental and social impact. Complementing our core strengths, we are actively exploring opportunities in the CDMO business, utilising our expertise and capabilities to drive further growth and diversification.

I am pleased to inform you that we have received inspections and approvals from numerous regulatory authorities such as USFDA, Bavarian Regulatory Authority (EuGMP), ANVISA (Brazil), and the Food & Drug Authority in Saudi Arabia across different facilities, enabling us to expand our reach in both regulated and emerging markets. Furthermore, we have filed DMFs and registered our products across various global markets.

Supporting our success is our substantial expertise in fermentation, specialised manufacturing capabilities, and state-of-the-art facilities. These strengths position us as a trusted industry partner capable of delivering innovative solutions. Our in-house R&D team spearheads this commitment to innovation, continuously developing new products and optimising manufacturing processes. Their efforts contribute to the commercialisation of high-quality, cost-effective products across various therapeutic areas, including immunosuppressants, oncology, anti-infectives, and antifungals.

As we look to the future, we are confident in our ability to capitalise on the industry's growth opportunities, foster innovation, and maintain our competitive edge in the dynamic pharmaceutical landscape. Our remarkable achievements, strategic focus, and the dedication of our talented workforce have laid a solid foundation for continued success.

On behalf of the entire Concord team, I extend my sincere gratitude to you, our esteemed investors, and stakeholders, for your continued trust and support. Together, we will continue to create value, drive sustainable growth, and contribute to the betterment of global healthcare.

Best regards,

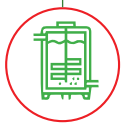
**Ankur Vaid**

# Leveraging Nature's Blueprint and Our Expertise to Emerge as a Global Leader

[About Concord Biotech](#)

At Concord, our core competency is our mastery over fermentation technology. This is a specialised segment with high entry barriers due to the complex technical capabilities and substantial capital investments required.

## What Makes us Concord



### Mastering the Art of Fermentation Technology

At Concord, fermentation-based API manufacturing is our expertise. We are among the select few global players to have successfully harnessed and consistently delivered on the intricacies of this highly specialised segment. Our mastery over fermentation technology, a domain with formidable entry barriers, has enabled us to construct one of the largest fermentation capacities worldwide.



### Continuous Investment in R&D-Driven Innovation

Fuelling our growth is our strong focus on R&D. Our state-of-the-art R&D facilities, coupled with a team of dedicated scientists, ensure a robust pipeline of APIs under development. This commitment to innovation allows us to stay ahead of the curve and consistently introduce new products to cater to evolving market demands.



### Upholding the Highest Standards of Quality and Compliance

Quality and compliance are non-negotiable. Our world-class infrastructure adheres to the highest global benchmarks, with facilities approved by leading regulatory agencies like USFDA, EU GMP, WHO, and PMDA, Japan across multiple sites. This firm commitment has garnered trust for our products in over 70 countries, including highly regulated markets.



### Driven by Expertise and Consistent Performance

Our journey has been guided by the visionary leadership of experienced promoters and a seasoned management team. Their expertise has been instrumental in driving our growth trajectory. Under their competent guidance, we have consistently delivered steady growth, robust operating metrics, and an expanding global footprint, solidifying our position as a leading biopharma Company.

From our inception as a single-product entity, we have transformed into a broad-spectrum solutions provider across various therapeutic segments. With our focus on fermentation, global mindset, and strengths in research, manufacturing, and compliance, we are well-positioned to sustain our leadership, redefining excellence through continuous innovation.



## Our Integrated Platform



R&amp;D



Patents



Key Starting Material



API Manufacturing

Marketing and  
Distribution

Formulations



Other Adjacencies



## Vision

Create products through Biotechnology route and Service offering that enrich the lives of people by continually building on our expertise in Biotechnology.



## Mission

We strive to be a global power in the field of Biotechnology based products through research and development to create sustainable earnings growth and to establish long-term business success. We continue to reinforce our commitment to safety, health, and environment. We endeavour for an environment where creativity and effectiveness are encouraged with the technologies for the niche market.



## Our Shared Values

At Concord, we believe that innovation fuels progress, excellence ensures commitment, and integrity guides our actions. Our mission is to improve lives globally through quality, discipline, and a humane, compassionate approach.



### Innovation

#### Driving Continuous Progress

Innovation is the hallmark of our work culture across diverse business lines. Constantly exploring new processes, research, and concepts while adopting cutting-edge technologies fuels our pursuit of long-term success.



### Excellence

#### Our Commitment

At Concord, attaining business excellence from research to final product delivery is a work practice deeply ingrained in our work culture. We harness teamwork across functions and cross-functionally in a time-bound manner to achieve this.



### Integrity

#### Our Moral Compass

Integrity is indispensable to our mission. We maintain the highest moral and ethical standards, prioritising honesty in both personal and professional conduct.



### Commitment

#### Dedicated to Deliver

We approach our tasks and goals with a solution-finding mindset, thereby building an image of a responsible and dependable corporate entity. We perform our duties with exemplary moral responsibility and accountability across all functions.



### Quality

#### Setting Global Standards

At Concord, we maintain world-class quality management systems and processes. We adhere to the highest standards, fulfilling customer expectations and improving their quality of life. Our confidence in the effectiveness and efficiency of our final products remains undiluted.



### Discipline

#### Our Foundation

At Concord, discipline is a way of life. We showcase result-oriented actions both at the individual and team levels, which forms the foundation of our work culture.



### Compassion

#### Leading the Way

We recognise the importance of sensitivity, compassion, and kindness towards our people, business associates, and society. Our dedication to social welfare takes precedence over economic interests as we strive to convert state-of-the-art technology into high-quality, affordable products for the global market.

# Driving Innovation Through Our Expertise

At Concord, our success is underpinned by our expertise in fermentation, diverse offerings, and innovative spirit. We are driven by a strong regulatory commitment, a visionary leadership, and a mission to enhance human health.

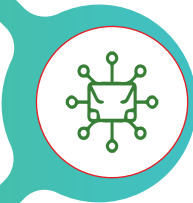
## Fermentation Expertise

Through our strong fermentation capabilities, we produce high-quality APIs, setting us apart in biotechnology and ensuring superior efficacy in medicines.



## Diversified Portfolio

We offer full baskets of immunosuppressants in addition to our products in oncology and anti-infectives making total count of 30 fermentation based API's. This helps in ensuring resilience against market fluctuations and meeting diverse pharmaceutical needs effectively.



## Commitment to Innovation

Our heavy investment in R&D drives continuous process optimisation, new product development, and industry leadership, fuelling breakthroughs that shape the future of healthcare.



## Regulatory Compliance

Rigorous adherence to regulatory standards is integral to our operations, ensuring product integrity and customer trust, bolstering our reputation as a reliable partner in healthcare.



## Visionary Leadership

Led by industry veterans, our strategic decisions help us navigate challenges and drive sustained growth. This positions us as a trusted industry leader, committed to shaping a healthier tomorrow.



## Mission Focus

We are dedicated to delivering high-quality solutions that enhance human health, driven by innovation and customer centricity, fostering partnerships that make a meaningful impact.



# Growing with Our Fermentation and Formulation Expertise

## Overview of API & Formulation

Our expertise in fermentation and formulation is the driving force behind our global pharmaceutical prowess. These two pillars form the foundation of our reputation as a leading industry player.

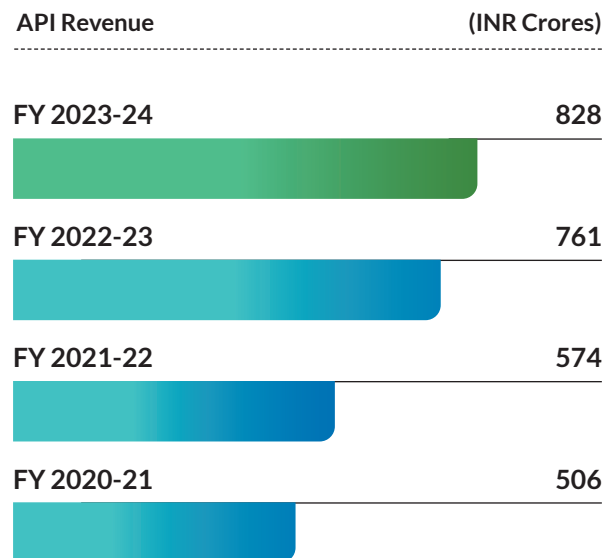
## Fermentation APIs

### Unlocking Niche Potential

At the forefront of our fermentation capabilities lies a niche focus on APIs derived through this specialised process. Recognised as one of the world's foremost developers and manufacturers of fermentation-derived APIs, we have dedicated years of research and innovation to honing this expertise.

Our fermentation API portfolio reflects of our commitment to addressing diverse therapeutic areas. It encompasses a wide range of products, including immunosuppressants, oncology anti-infectives, and antifungals. Each of these play a vital role in improving patient outcomes and elevating healthcare standards.

Underpinning our success in this domain is a relentless pursuit of knowledge and cutting-edge technologies. Our fermentation facilities are equipped with state-of-the-art infrastructure, enabling us to maintain stringent quality standards while optimising production efficiencies.





## Formulation

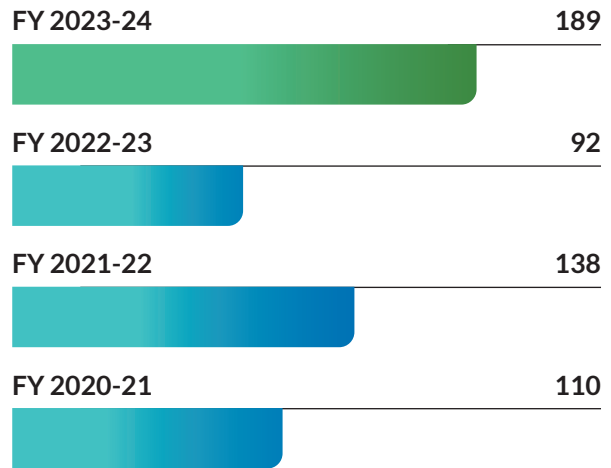
### Vertical Integration for Seamless Solutions

Complementing our fermentation prowess, is our formulation segment. It offers seamless vertical integration, which is a hallmark of our holistic approach to pharmaceutical development and manufacturing. Operating through an ethical, institutional, and business (EIB) model, we cater to both regulated and emerging markets worldwide. We strongly emphasise on the US, Europe, and other regulated B2C models.

Our formulation capabilities encompass a broad spectrum of dosage forms, including oral solid dosages, injectables, liquids and oral suspensions. This diverse portfolio enables us to meet the varying needs of patients and healthcare professionals across different therapeutic areas.

Moreover, our commitment to innovation has paved the way for an upcoming facility dedicated to expanding our injectable offerings. This strategic investment showcases our commitment of staying ahead of evolving market demands and delivering cutting-edge solutions that redefine the boundaries of pharmaceutical excellence.

### Formulation Revenue (INR Crores)



## Key Highlights

Portfolio spanning  
**30+**  
Fermentation APIs

**135+**  
Drug Master Files  
(DMFs) filed globally

Fermentation  
capacity of  
**1,250 m<sup>3</sup>**

**98**  
Approved  
formulation products  
across markets

**4**  
Abbreviated New Drug  
Applications (ANDAs)  
approved for products  
from our facilities

Overall formulation  
manufacturing capacity of  
**802 Mn units**

As we navigate the ever-evolving landscape of the pharmaceutical industry, our fermentation and formulation expertise remains at the forefront. It is instrumental in propelling us towards new horizons of innovation and patient-centric solutions. With a commitment to quality, excellence, and continuous improvement, we strive to transform challenges into opportunities, shaping the future of healthcare for generations to come.

# Leveraging Nature’s Blueprint for Expansion and Pharmaceutical Excellence

Presence

At Concord, our far-reaching presence and diversified customer base reflect our relentless pursuit of delivering superior pharmaceutical solutions on a global scale.

## Worldwide Presence

We serve over 250+ customers with our wide range of APIs and formulations across more than 70 countries. Through consistent product quality, diverse offerings, and a robust global network, we have cultivated long-lasting relationships with satisfied customers worldwide. This global footprint highlights our ability to cater to the evolving healthcare needs of diverse populations.

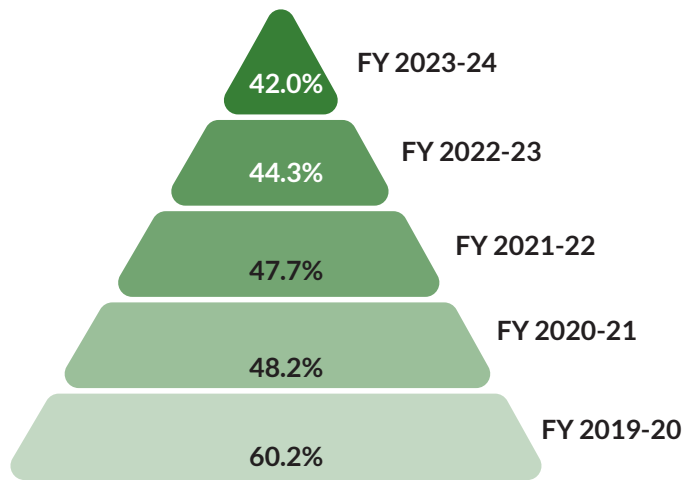
## Collaborative Partnerships

We take pride in our collaborations with leading pharmaceutical companies worldwide. Our state-of-the-art distribution network and well-established business infrastructure enable us to forge strategic partnerships in markets across the globe. These collaborations not only facilitate the seamless delivery of our products but also foster knowledge exchange, driving innovation and setting new benchmarks in the industry.

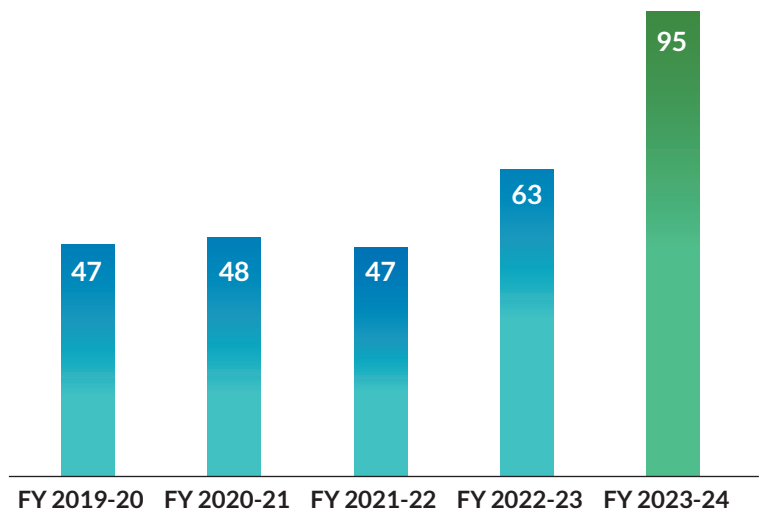
## Tailored Distribution Models

Our distribution approach is tailored to meet the unique needs of different regions. For our APIs, we operate under B2B model, supplying to pharmaceutical companies globally. In India, our formulations primarily follow a B2B model, serving government and corporate hospitals. Internationally, in markets such as the US, Asia, Africa, and Latin America, we utilise our strategic arrangements with distributors. These partners license our dossiers for registration with respective regulatory authorities and distribute our formulations under our brand names, ensuring widespread accessibility.

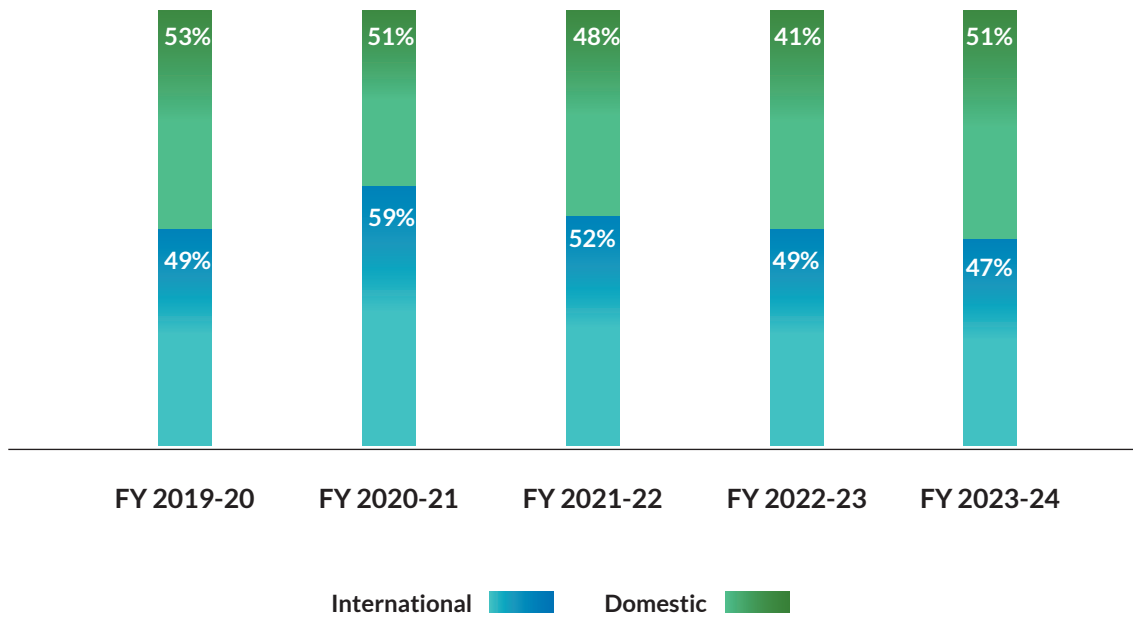
Reducing Customer Concentration % Contribution from Top 10 Customers



New Customer Addition/Product Addition in Existing Customers



## Geographic Distribution



## Diversified Customer Base



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

# Building a Legacy of Trust and Excellence

Journey

At Concord, our journey began in 2000 as a single-product company. Today, we stand as a broad-spectrum solutions provider, offering a diverse range of products and services to the pharmaceutical industry. This evolution showcases our commitment to excellence and innovation.

- ▶ Acquisition of the Company by Mr. Sudhir Vaid, one of our Promoters
- ▶ Certification of our facility at Dholka for commissioning and commencement of production of various enzymes by technical consultants
- ▶ Investment by Rakesh Jhunjhunwala and Rekha Jhunjhunwala in the Company
- ▶ First USFDA inspection and classification of our API facility as acceptable

**2000-2005**

- ▶ Second USFDA inspection and classification of our API facility as acceptable
- ▶ Received drug master file registration certificate for Tacrolimus Hydrate from Pharmaceuticals and Medical Devices Agency (PMDA), Japan

**2006-2010**

- ▶ First EU GMP inspection of our manufacturing facility by Government of Upper Bavaria-Central Medicines Control Bavaria (GMP/GCP)
- ▶ Third USFDA inspection and classification of our API facility as acceptable
- ▶ Received accreditation certificate of foreign drug manufacturing for non-sterile drugs from Minister of Health, Labour and Welfare of Japan

**2011-2015**





- ▶ Established a facility at Valthera, Gujarat
- ▶ Recognition of our in-house R&D facility located at Valthera by Ministry of Science and Technology, Government of India
- ▶ Investment from Helix
- ▶ Expansion of the Company's business in critical care segment in India
- ▶ Board of the Company permitted the layout plan for the proposed injectable manufacturing unit at Valthera facility

## 2016-2020

- ▶ Commenced operations at second API facility at Limbasi
- ▶ Successful inspections of EU-GMP and PMDA, Japan in Dholka Facility
- ▶ Successful inspection from Bavarian Regulatory Authority (Germany) for API facility
- ▶ Successful inspection by ANVISA (Brazil Regulatory Authority) for Dholka facility
- ▶ Seven new DMFs filed for Dholka facility
- ▶ Successful inspections by Food & Drug Authorities of Saudi Arabia, Kenya, Tanzania, Gujarat FDCA and CDSCO for Formulation Unit

## 2021-2024



# Standing out through Our Expertise in Fermentation

Investment case

The fermentation-based API market is a critical segment within the broader pharmaceutical industry that we operate in. These APIs are produced through complex fermentation processes involving microorganisms. They are used in the manufacturing of drugs targeting various therapeutic areas, particularly immunosuppressants, oncology, anti-infectives, and antifungals.

This niche market is characterised by stringent regulatory requirements, intricate manufacturing processes, and substantial capital investments required for establishing fermentation facilities. These factors create high barriers to entry, making it a challenging space for new players to penetrate.





## Our Industry Position and Strengths

At Concord, we are a leading player in the fermentation-based API market, with over 20 years of experience and a strong reputation for consistent delivery and innovation. We have established a dominant position in select molecules and key therapeutic areas, solidifying our status among the top players in the industry.



## Manufacturing Infrastructure and Capabilities



### Robust Manufacturing Infrastructure

We operate two state-of-the-art API manufacturing facilities in India, with a combined fermentation capacity of 1,250 M<sup>3</sup>. These facilities enable us to meet diverse customer needs efficiently while adhering to stringent quality standards.



### Integrated Platform

Our comprehensive platform encompasses R&D, patents, manufacturing, and marketing capabilities. This allows us to offer tailored solutions and forge stronger customer relationships.



### Backward Integration

We are backward integrated, manufacturing key starting materials in-house. This vertical integration contributes to cost efficiencies, quality control, and a more streamlined production process, enhancing our ability to manage our supply chain effectively.



### Regulatory Approvals

We have secured global regulatory approvals, including from the US FDA, Japanese PMDA, and other regulatory bodies, enabling us to cater to both regulated and emerging markets worldwide.



### Capacity for Future Growth

Our robust utilisation capabilities and capacity for expansion position us well for long-term growth, enabling us to capitalise on emerging opportunities and maintain our leadership position.

## Product Portfolio



### Diversified Product Portfolio

We offer a diverse portfolio of 30 fermentation-based APIs spanning immunosuppressants, oncology, anti-infectives, and antifungals. This helps us cater to various healthcare needs, reflecting our commitment to innovation and adaptability.



### Market Leadership in Niche Segments

We hold a dominant position in the fermentation-based immunosuppressant API segment, demonstrating our ability to develop and commercialise complex molecules ahead of competitors.



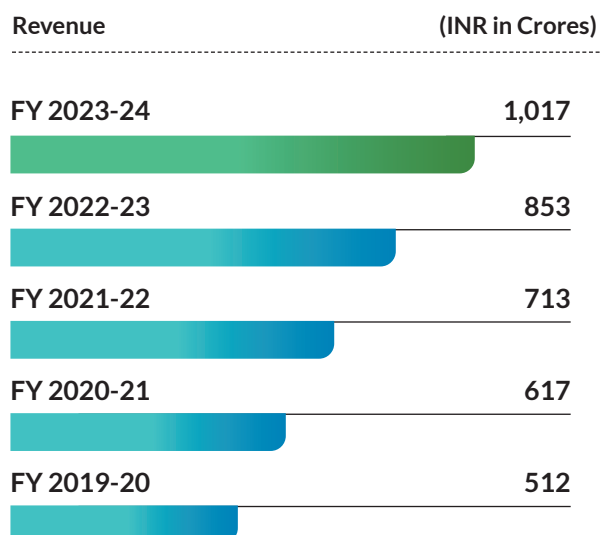
### Continuous Innovation

We have strong pipeline of around 10 fermentation based APIs, primarily in the oncology and anti-infective segments, contributing to sustained long-term revenue growth.

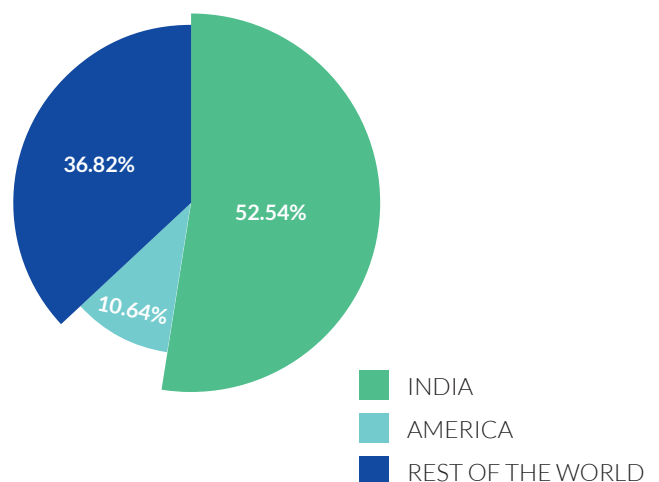
## Significant Entry Barriers

We have created formidable entry barriers through our diverse product portfolio, regulatory compliance, flexible plant configuration, backward integration, global regulatory approvals, and successful commercialisation of various fermentation-based APIs. This helps us in maintaining our competitive position and reinforcing our industry leadership.

## Financial Strength



### Revenue by Geography





With our industry experience, robust infrastructure, market leadership, diverse portfolio, financial strength, and strong ESG focus, we are well-positioned as a resilient leader in sustainably manufacturing fermentation-based pharmaceutical active pharmaceutical ingredients (APIs) and formulations. Leveraging our strengths, we aim to expand our global presence and contribute to sustainable growth in this industry while prioritising environmental stewardship, social responsibility, and ethical governance.





# Analysing the External Environment for Improving Capabilities

Operating environment

The pharmaceutical industry operates in a highly regulated environment, with governments enforcing stringent quality standards to safeguard public health. Over the past decade, the industry has undergone a transformation driven by continuous advancements in technology and research. It is poised for rapid development and evolution in the years to come.

This complex and dynamic landscape is an opportunity for us to maximise the value we create for our stakeholders through an innovative and agile strategy, and effective risk management.



## Ageing Population Trend

**Trend:** The global population is rapidly ageing, with significant implications for healthcare and pharmaceutical markets. By CY 2030, 1 in every 6 people will be aged 60 years or over, and by CY 2050, this number will double to 2.1 Bn.

**Concord Biotech's Approach:** At Concord, we recognise the potential market size driven by the ageing population. With an estimated market size of USD 350 Bn by CY 2030 for medications targeting age-related ailments, we are committed to providing high-quality products in the critical care segment with a patient-centric approach. Our portfolio of antibiotics, antifungals, and plasma products will help us address the healthcare needs of the elderly population effectively.

## Improved Healthcare and Medicine Access

**Trend:** Increased access to healthcare and medications, coupled with rising disposable incomes, is projected to boost pharmaceutical consumption, more so in emerging markets. This presents a significant opportunity for suppliers of generic and over-the-counter medicines.

**Concord Biotech's Approach:** At Concord, we aim to capitalise on this trend by expanding our manufacturing capacity for fermentation-based APIs. With an estimated market growth of USD 150 Bn by CY 2030 in emerging markets, we are strategically investing in expanding production facilities and distribution networks. Additionally, we are focussing on cost-effective production methods, leveraging fermentation technology to offer competitively priced APIs to these markets, ensuring affordability and accessibility of essential medications.

## Growth of Fermentation-Based APIs

**Trend:** The growth of fermentation-based APIs is driven by various factors, including an increasing demand for complex generics, advancements in molecular biology, and the need for sustainable and resilient supply chains in the pharmaceutical industry. The market for fermentation-based APIs is projected to reach USD 80 Bn by CY 2030.

**Concord Biotech's Approach:** We align our growth strategy with the increasing demand for fermentation-based APIs. We are strategically investing in R&D to develop innovative APIs and expand our product portfolio. By leveraging our expertise in fermentation technology and focussing on sustainability, we aim to capture a significant share of the growing market.

## Contract Research and Manufacturing Services (CRAMS) Trend

**Trend:** The pharmaceutical industry increasingly relies on CRAMS for growth and innovation. The global CRO market is projected to reach USD 108 Bn by CY 2032, driven by rising chronic diseases and R&D expenditure.

**Concord Biotech's Approach:** We offer product development and contract manufacturing services, leveraging our certified facilities and our adherence to stringent quality standards. By providing integrated drug discovery services, we enhance our value proposition, catering to pharmaceutical firms' evolving needs for outsourcing solutions.

## Regulatory Environment in the Indian Pharmaceutical Industry

**Regulatory Measures:** The Indian pharmaceutical industry is implementing stringent laws to ensure stronger quality checks. This includes mandated quality control checks, proposed task forces for quality assurance, and API quality checks.

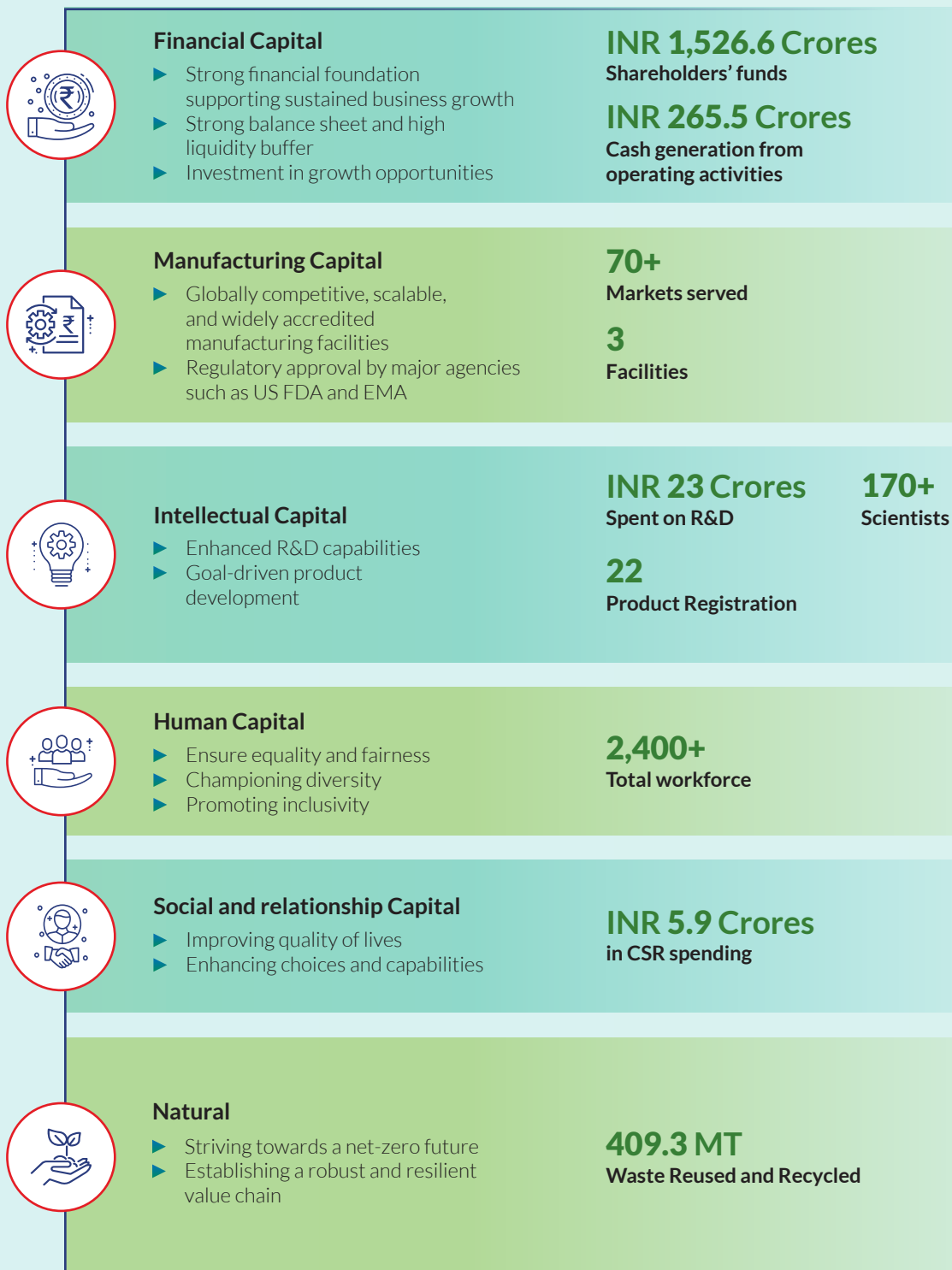
**Concord Biotech's Quality Focus:** At Concord, we focus on quality through our quality management system, ensuring compliance with international standards like cGMP. This commitment to quality aligns with regulatory requirements, enabling us to meet stringent standards and maintain our reputation as a reliable pharmaceutical partner.



# Sustaining our Business Model through Our Expertise and Delivering Value

**Business model**

## OUR RESOURCES → INPUT





## → OUTPUT

## → OUTCOMES

**INR 1,017 Crores**

Revenue

**INR 435 Crores**

EBITDA

**INR 308 Crores**

PAT

- ▶ Sustainable earnings growth and return
- ▶ Maximising shareholder value
- ▶ Consistent growth trajectory

**98**Units of diverse dosage forms  
manufactured in FY 2023-24**21**

New formulations products launched

- ▶ High-quality, affordable medicines and products
- ▶ Strong manufacturing capabilities
- ▶ Competitive product portfolio

**7**New DMFs filed across Europe, Brazil,  
Australia, Canada, Malaysia, and Taiwan.**2**

ANDAs filed

- ▶ Innovative product R&D process
- ▶ Focus on the filing of complex products

**16.7%**

Employee turnover

**ZERO**

Fatalities

- ▶ Diverse and motivated workforce
- ▶ Diversity at the workplace (gender, ethnicity, and differently abled)
- ▶ Actively engaged employees

**54,000+**

Beneficiaries

- ▶ Enhanced the quality of education
- ▶ Granted equal opportunities for the underprivileged and marginalised sections of the society
- ▶ Provided core employability skills to youth

**0.35\*10<sup>-4</sup>**

Water intensity per rupee of turnover

- ▶ Minimising environmental footprint through comprehensive measures and sustainable practices
- ▶ Maximising resource efficiency through optimised processes and operations
- ▶ Implementing innovative solutions for energy and water conservation

# Unveiling Our Strategic Fermentation Blueprint

## Strategies

Through carefully thought out growth strategies, we are moving ahead in the fermentation-based API and formulations landscape. This highlights our comprehensive approach to achieving all-round excellence and maintaining consistency across various domains.

### Increasing the Wallet Share from Our Existing API Customers

- ▶ We not only intend to increase the sales of API products to our existing customers, but also focus on cross-selling other API products from our portfolio to these existing customers.
- ▶ During FY 2021-22, we significantly expanded our manufacturing capacities by adding a new facility at Limbasi. This has enabled us to grow our wallet share from existing customers.
- ▶ Additionally, we have the flexibility to further expand our manufacturing capacity at the existing facilities to cater to increasing customer demands.

### Marketing Our Existing APIs to New Customers

- ▶ With our increased manufacturing capacities, we now have the ability to serve additional customers globally with our existing API portfolio.
- ▶ In FY 2023-24, we acquired 95 new customers and introduced new products to existing customers. The dependence from our top 10 customers reduced from 44.3% in FY 2022-23 to 42.0% in FY 2023-24, further reducing customer concentration risk.
- ▶ As these new customers mature, we will leverage opportunities to cross-sell more products, driving revenue growth.
- ▶ Given our recent capacity expansions, we intend to achieve optimal potential and market penetration from the APIs that we have commercialised in the recent years.
- ▶ In addition, we endeavour to increase the global market share of our API portfolio by filing for additional regulatory approvals and product registrations across markets.

### Expanding Our API Portfolio

- ▶ Leveraging our strong technical expertise accumulated over several years, we will continue to focus on developing niche, complex, and differentiated fermentation-based API products. These have high growth potential to ensure sustainable profitability and strengthen our market leadership position.
- ▶ We are continuously enhancing our R&D capabilities to expand our product portfolio. We have recently added two new products in the fermentation API space, bringing our total product count to 30.
- ▶ We have a robust pipeline of over 10 products to be introduced in the coming years across various therapeutic areas like Oncology and Anti-Infectives. This will further enrich our portfolio to comprehensively meet customer needs.

### Expanding Our Geographic Reach

#### India

- ▶ We have been focussing on expanding our formulations presence in the Indian market through our dedicated sales force. Additionally, we are enhancing our distribution network with our own branded products. As of 31<sup>st</sup> March 2024, we offered our formulation products through our sales team of over 135+ people to major Government and corporate hospitals across India.
- ▶ Going forward, we plan to continue increasing our formulation supplies and product offtake to hospitals as well as governmental institutions in India.
- ▶ We also plan to further expand our sales force and distribution network across new geographies within India to drive deeper penetration.

## Markets

- ▶ We have a strategic plan to expand our portfolio of product registrations and regulatory approvals across several high-growth emerging markets.
- ▶ As of now, we have 98 approved formulation products which are being marketed across various markets where we currently have a presence.
- ▶ We are actively in the process of filing new regulatory dossiers for product approvals across other emerging markets like Mexico, Brazil, and Indonesia.
- ▶ We have also successfully completed inspections by ANVISA Brazil, the Food and Drug Authority of Saudi Arabia, Kenya, Tanzania, Gujarat FDCA, and SIDESCO.
- ▶ These inspections validate the high standards of our manufacturing process and open new opportunities in emerging markets.
- ▶ With these inspections and approvals in place, we are poised to expand our footprint worldwide, enhancing geographical presence, customer diversification, and gaining more market share through optimisation of capacity utilisation.
- ▶ We will also be onboarding new distributors to expand our reach and supplement our go-to-market model in emerging markets.

## United States

- ▶ For the US market, our goal is to expand our formulations business by increasing the sales of our existing 4 ANDA-approved products covering 6 formulations.
- ▶ We have filed 2 more ANDA this year and are actively working on making new ANDA filings with the USFDA to launch more new formulation products in the US market leveraging our strong R&D capabilities.

## Launching New Dosage Forms

- ▶ We plan to expand our formulations portfolio by adding new drug delivery forms and dosage capabilities beyond our current oral solids and liquids.
- ▶ We are currently expanding our formulations facility by setting up a dedicated new section for manufacturing injectable dosage forms.
- ▶ This new injectable facility will have the capability to manufacture various delivery forms like liquid and lyophilised vials, dry powder injections, and sterile powder lyophilisation.
- ▶ After receiving necessary regulatory approvals, we intend to leverage this new capability to serve customers in India as well as other emerging and regulated markets.
- ▶ We expect addition of injectables to further diversify our revenue streams from formulations and positively contribute to our profitability.
- ▶ It will also enable us to increase supplies to certain institutional customers that prefer to procure in-house manufactured products over in-licensed ones.
- ▶ Moreover, it will allow us to further forward integrate some of our API products into formulation dosage forms.
- ▶ The injectables facility will also provide us with a platform to grow our CDMO service offerings for formulations.

## Expanding Formulation Portfolio

- ▶ We intend to keep expanding into new formulation products which have a relatively higher growth potential to drive our portfolio towards more profitable products.
- ▶ We will continually monitor, calibrate, and evolve our product mix to improve the overall profitability from our formulations business.
- ▶ We plan to make the most of our strong capabilities in API manufacturing to develop new formulation products organically.
- ▶ We currently have certain new formulation products under development at various stages in our pipeline.
- ▶ Additionally, we intend to add new formulation products to our portfolio by pursuing in-licensing opportunities within the Indian market.

# Driving Innovation through Our Advanced Facilities and Expertise

Intellectual Capital

At Concord, our foundation is formed by a powerful synergy of advanced facilities, exceptional talent, and an insatiable quest for knowledge. This potent combination propels us to the forefront, enabling groundbreaking solutions that enhance lives globally.





## State-of-the-Art Facilities: Where Ideas Materialise

### API R&D Lab

We have a dedicated API R&D lab situated in Dholka. This facility has specialised capabilities for isolation of strains, mutation, and passive selection of microbial strains, as well as strain improvement processes. The lab is equipped with fermenters and a pilot plant facility, allowing us to seamlessly scale up fermentation processes from lab scale to commercial production scale. Our API R&D strengths enable us to drive innovation and develop new active pharmaceutical ingredients efficiently.

Our integrated R&D capabilities across API and formulations development allow us to bring new and innovative pharmaceutical products to the market effectively.

### Formulations R&D Lab

Our formulations R&D capabilities are centred at the Valthera facility. This lab focusses on formulation development leveraging advanced analytical capabilities. The formulations team works closely with our API experts to ensure our products meet the highest standards of quality and efficacy while providing optimal drug delivery and patient convenience.

## Talent Pool

At our core, over 170+ highly skilled researchers, scientists, and experts (comprising 7% of our total workforce as of 31<sup>st</sup> March 2024) drive success. This intellectual capital pool tackles complex challenges with creative solutions, from strain improvement and media optimisation to formulation development and analytical capabilities.



## Collaborative Synergies: Amplifying Innovation

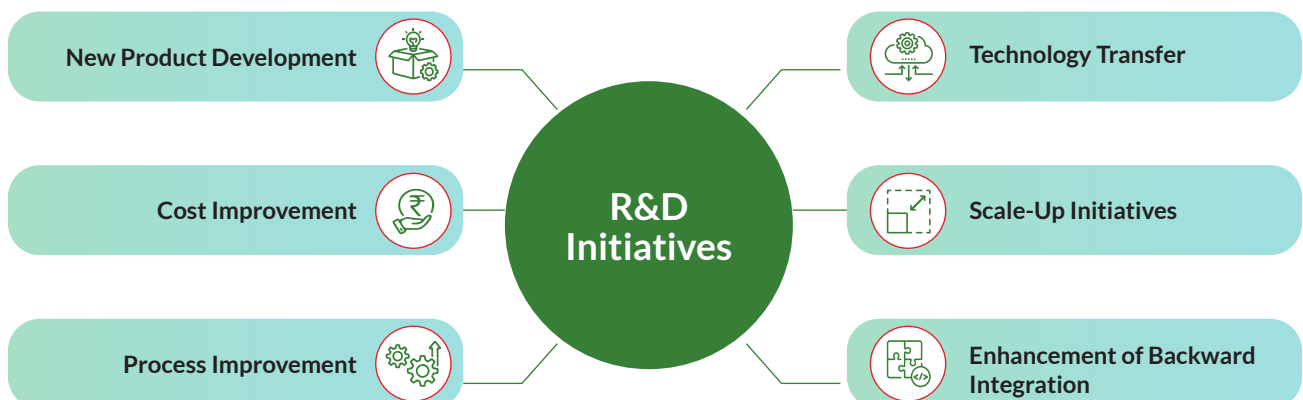
We actively foster strategic partnerships with research institutions, academic bodies, and industry partners, creating an ecosystem that stimulates creativity and cross-pollination of ideas. These synergies enable us to tap into diverse expertise, capitalise on cutting-edge technologies, and gain valuable insights. All of this further enhances our ability to develop innovative solutions for evolving healthcare needs.

## Protecting our Innovations

We have a dedicated intellectual property team responsible for filing patents in both the Indian and overseas markets.

As of 31<sup>st</sup> March 2024, We aim to continue filing patent applications to protect the new innovations and novel processes we develop, in both developed and emerging markets. Existing or future patents issued or licensed to us may provide some competitive advantages for our products, although they may also be challenged, invalidated, or circumvented by our competitors. Furthermore, such patent rights may not prevent our competitors from developing, using, or commercialising products that are similar or functionally equivalent to ours.

As of 31<sup>st</sup> March 2024, our top brands across various classes are registered under the trademark act.





# Strengthening Our Comprehensive Product Portfolio

At Concord, we have three core business verticals: APIs, finished formulations, and contract development and manufacturing services. We work with global pharmaceutical companies, specialising in fermentation and semi-synthetic complex niche APIs for immunosuppressants, oncology, antibacterials, and antifungals. Quality is paramount for us, with a 'one product-one process' approach for global markets and DMFs filed globally to meet regulatory compliance. Our expertise has solidified our reputation as a trusted API partner.

The new products we develop and launch are a direct outcome of our robust R&D setup and the intellectual prowess of our team. This dedicated focus on research and development ensures we continuously innovate and meet the evolving needs of the pharmaceutical industry.







## APIs

We manufacture a wide range of fermentation and semi-synthetic based products including immunosuppressants, anti-bacterials, oncology, antifungals, and other therapeutic areas. This diverse portfolio has attracted global customers. Additionally, we have a robust pipeline of products under development, enabling us to continuously expand our offerings and meet evolving patient needs through innovation and quality.

### Immunosuppressant

- ▶ Tacrolimus
- ▶ Mycophenolate Mofetil
- ▶ Mycophenolate Sodium
- ▶ Cyclosporine
- ▶ Sirolimus
- ▶ Pimecrolimus
- ▶ Everolimus Premix 2%
- ▶ Voclosporin

### Oncology

- ▶ Temsirolimus
- ▶ Everolimus
- ▶ Romidepsin
- ▶ Mitomycin
- ▶ Dactinomycin
- ▶ Staurosporin
- ▶ Mitoguazone
- ▶ Everolimus Premix 9.09%

### Antibacterial

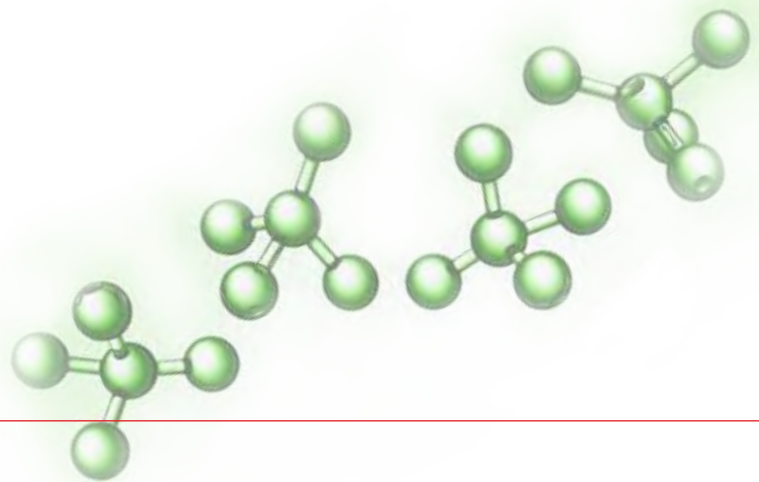
- ▶ Mupirocin
- ▶ Mupirocin Calcium
- ▶ Polymyxin B Sulfate
- ▶ Teicoplanin
- ▶ Vancomycin Hydrochloride
- ▶ Fidaxomicin

### Antifungal

- ▶ Antidulafungin
- ▶ Caspofungin Acetate
- ▶ Micafungin Sodium
- ▶ Amphotericin B
- ▶ Nystatin

### Others

- ▶ Lovastatin
- ▶ Pravastatin Sodium
- ▶ Enzymes





## Formulation

Concord forayed into the formulation business in FY 2015-16. We manufacture immunosuppressant formulations by leveraging our in-house API manufacturing capabilities. These formulations are offered under our own brands in India, and sold across emerging markets in Asia, Africa, Latin America, and the US, primarily through arrangements with distributors. In addition, we offer nephrology drugs and anti-infectives for critical care, which we in-license in India under our own brands.

### Wide Range of Formulations Product Portfolio for India Markets

## CRITICAL CARE



### Antifungal

- ▶ Amfoterol™
- ▶ Anicord™
- ▶ Caspocon™
- ▶ Micacord™
- ▶ Vorixia™
- ▶ Picocord GR™



### Antibiotics

- ▶ Dapute TM
- ▶ Fosutrac TM
- ▶ Pobix TM
- ▶ Teicocord TM
- ▶ Vanogard TM
- ▶ Cricolist TM
- ▶ Mepecon TM
- ▶ Mepecon
- ▶ Minocrit TM
- ▶ Tigicon TM
- ▶ Primataz TM
- ▶ Muprevent TM

### Plasma Products

- ▶ Gamacon TM
- ▶ Obulin TM



## NEPHROLOGY



### Transplant and Immunology

- ▶ Tacrocord
- ▶ Mofecon
- ▶ Evercon
- ▶ Conimune ME
- ▶ Cyclograf
- ▶ Valocon
- ▶ Conimab

### Chronic Kidney Disease

- ▶ Darbecon
- ▶ Epocord
- ▶ Sevecord
- ▶ Coniron
- ▶ Cinacet
- ▶ Valolog
- ▶ Uphield
- ▶ Milipro
- ▶ Nabosis
- ▶ Kalcord
- ▶ Picatol
- ▶ Kanilev







## Antifungals

- ▶ Conimab
- ▶ Gammacord

## RHEUMATOLOGY

### Immunology

- ▶ Adacord
- ▶ Arthimide1
- ▶ Arthimide2
- ▶ Conimba1
- ▶ Conimba2
- ▶ Conimmune 25
- ▶ Cyclograp
- ▶ Mofecon 250
- ▶ Tacrocord 0.25
- ▶ Tofajoint ER
- ▶ Tofajoint
- ▶ Unuric 40



## Plasma Products

- ▶ Conimab
- ▶ Gammacord

## Contract Development and Manufacturing

We offer contract development and manufacturing services through collaborations with third-party pharmaceutical companies. In the fermentation domain, we partner to develop fermentation-based and semi-synthetic new chemical entities (NCEs) and small molecules. We also provide contract research and manufacturing services for developing APIs and formulations. Our extensive expertise in fermentation technology and strong R&D infrastructure enable us to undertake complex projects and deliver high-quality outcomes for our partners.

# Pushing Boundaries through Process Mastery

Manufacturing Capital

At Concord, we take immense pride in our cutting-edge manufacturing facilities that form the backbone of our vertically integrated biotech operations. Our commitment to excellence is ingrained in every aspect of our workplace. This drives us to continuously raise the bar and secure our position among the global leaders in the industry.





## API Manufacturing Prowess

Our API manufacturing prowess stems from two state-of-the-art facilities strategically located near Ahmedabad, Gujarat, in India. The first, our flagship Dholka facility, demonstrates our expertise in fermentation and semi-synthetic API production. This facility has number of bioreactors, which enable us to efficiently cater to diverse customer demands.

We added our Limbasi facility in FY 2020-21, designed to meet global regulatory standards. This facility strengthens our position as a fermentation powerhouse, complementing our existing Dholka facility. Also this facility is home to some of the largest bioreactors in the nation.



## Unit I (API) – Dholka, Gujarat



### FY 2000

Operations commenced

### 1,12,302 sq.m.

Spread across

### 450 m<sup>3</sup>

Installed capacity



### Accreditation: APIs

Quality is deeply ingrained in our DNA, and we leave no stone unturned in ensuring that our processes and products meet the highest international standards. Both our API facilities are designed and operated in strict adherence to Current Good Manufacturing Practices (cGMP). This commitment has been validated by inspections from various global regulatory bodies such as the USFDA, EUGMP, Japanese AFM, Korean FDA, and Indian State GMP.



### Cutting-Edge Microbiology and Fermentation Capabilities

Our state-of-the-art microbiological laboratory has a team of highly qualified and trained professionals who strictly follow cGLP guidelines. This facility is equipped with dedicated clean rooms and lyophilisation capabilities, enabling us to maintain and propagate a diverse range of microorganisms with utmost precision and care.

Our total annual installed fermentation capacity of 1,250 m<sup>3</sup> is spread across 41 manufacturing blocks. This provides us with unparalleled flexibility to configure our plants to meet the ever-evolving demands of our customers.

## Unit II (Formulations) – Valthera, Gujarat



### FY 2016

Operations commenced

### 94,826 sqm

Spread across

### 802 Mn units

Installed capacity



## Unit III (API) – Limbasi, Gujarat



### FY 2021

Operations commenced

### 5,96,309 sq.m.

Spread across

### 800 m<sup>3</sup>

Installed capacity



### Downstream Processing and Chemical Synthesis Excellence

Our fermentation capabilities are seamlessly complemented by our cutting-edge downstream recovery facilities. These are equipped with advanced technologies such as whole broth extractors, micro/nano/ultra-filtration systems, and chromatography columns. These facilities are purpose-built to handle a diverse range of products across niche therapeutic segments, including immunosuppressants, oncology, anti-infectives, antifungals, and enzymes.



### State-of-the-Art Formulation Facility

Recognising the importance of finished formulations, we have invested in a state-of-the-art formulation development and manufacturing facility in Valthera, near Ahmedabad. Spanning 94,826 sq. m., this facility is designed to meet stringent global regulatory standards like the USFDA, and EUGMP, among others. This enables us to manufacture a wide range of solid oral dosage forms, oral liquids, oral suspensions, and complex solid dispersions using organic solvents.

Our formulation expertise is particularly focussed on highly specialised niche segments such as immunology and oncology. Herein, we leverage our cutting-edge equipment and high-level automation to deliver innovative and targeted solutions.



### Accreditation: Formulation

Quality is of utmost importance in our formulation operations. Dedicated quality control, quality assurance, and regulatory affairs teams ensure compliance with national and international standards. Our formulation facility aligns with global regulatory requirements and has been successfully inspected by leading regulatory authorities worldwide, reflecting our cGMP commitment.

### 1,250 m<sup>3</sup>

Total installed capacity

### Zero Discharge

With effluent treatment plants (ETPs) at all facilities

### Audits

Successful audits and inspections by global regulators and customers

### PLI Scheme

Approved beneficiary focussing on fermentation-based APIs

# Delivering Results through Operational Excellence

## Financial Capital

At Concord, financial resources are crucial for our operations and growth plans. We have a strong system for managing our capital efficiently. We carefully decide how to use our money, balancing investments in research, new technologies, maximising returns, and reducing risks. Our solid financial position, maintained through careful spending controls, allows us to be successful over the long term in the competitive biotech industry. We engage with investors, and follow thorough corporate governance to ensure our money is spent wisely. Proper financial management underpins our ability to keep innovating and leading the field.

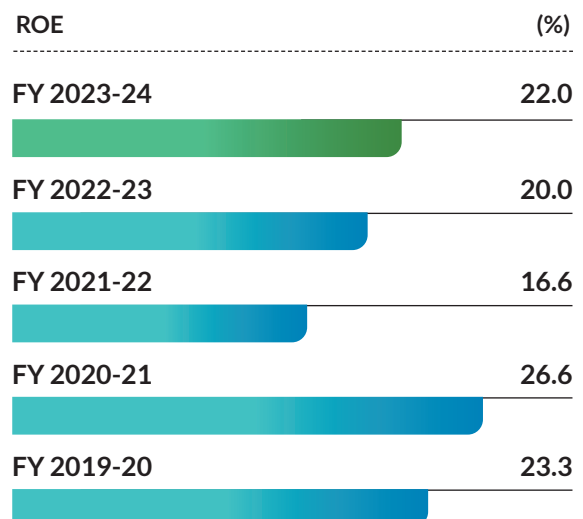
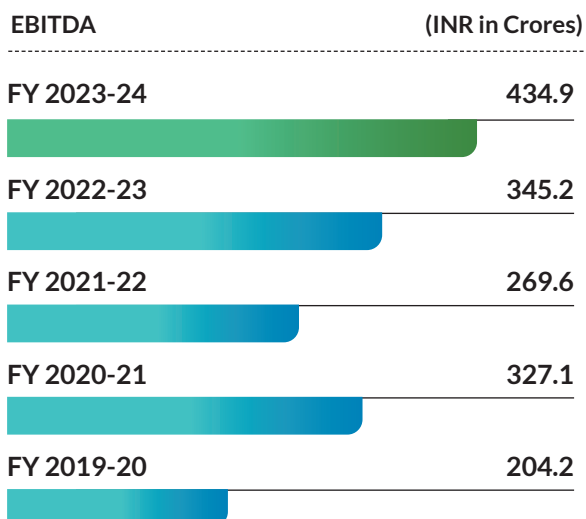
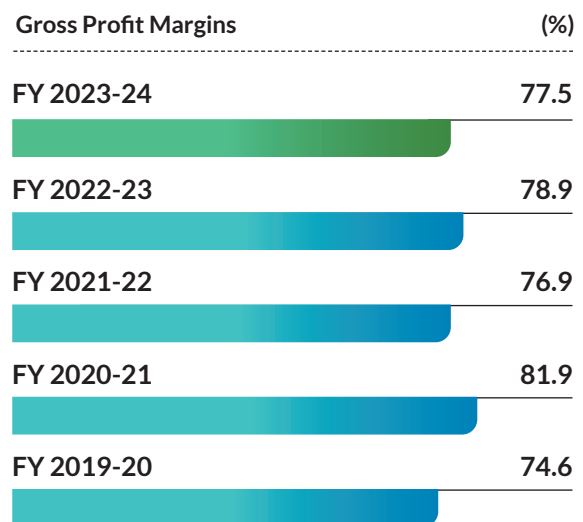
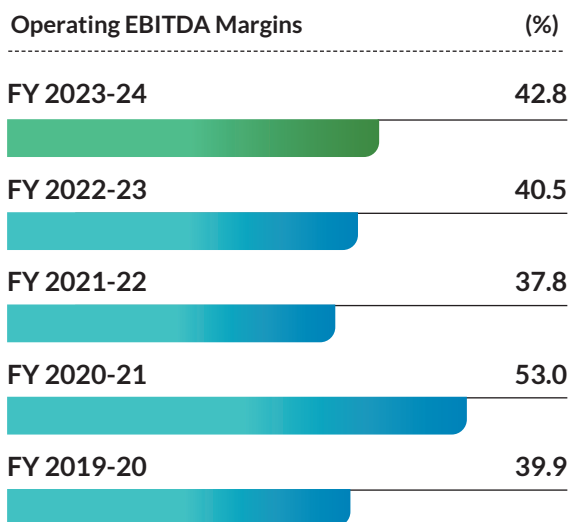
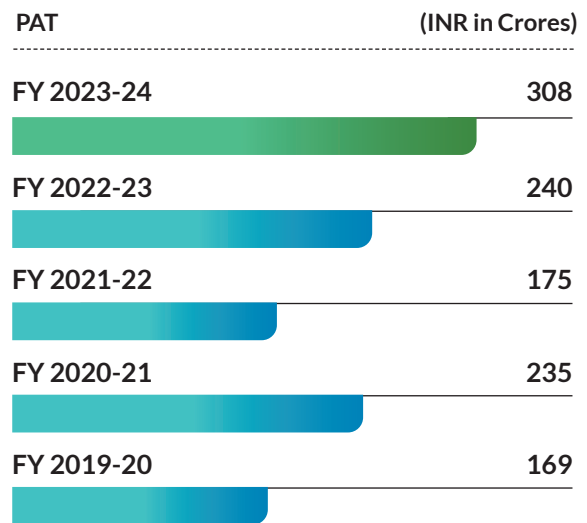
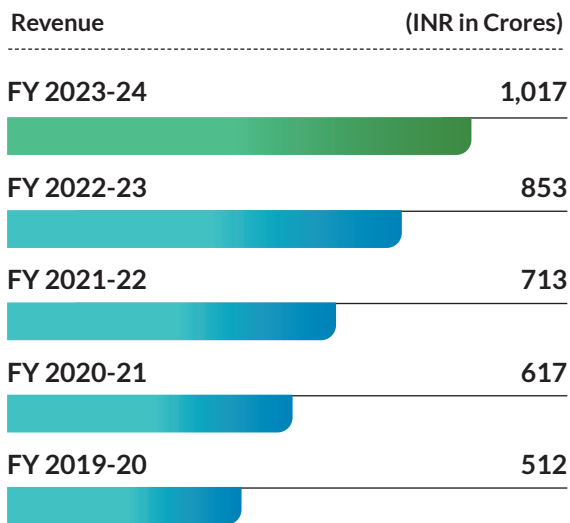




**INR 1,526.6 Crores**  
Net Worth

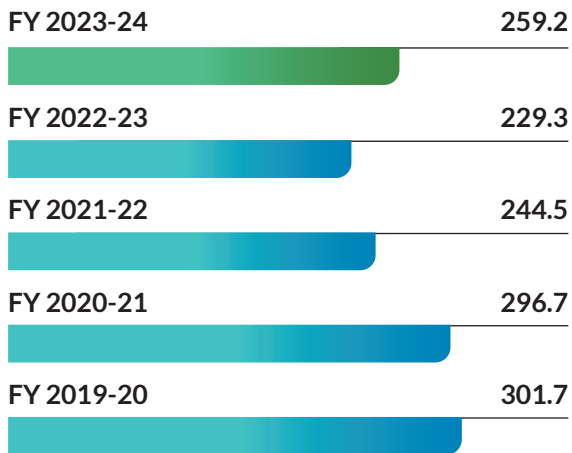
**INR 6.23 Crores**  
Net Debt

**30.3%**  
Net Profit Margin



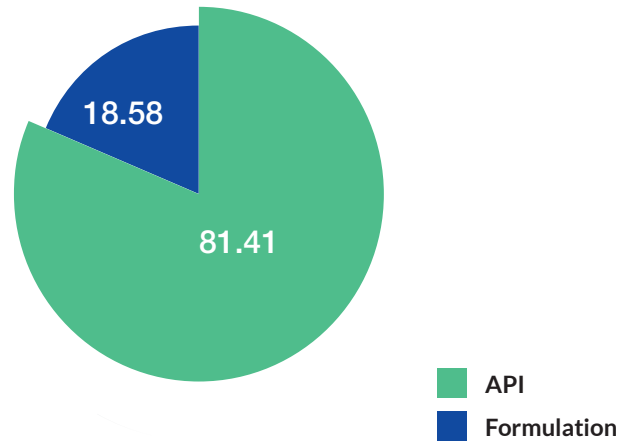


### Net Working Capital Days

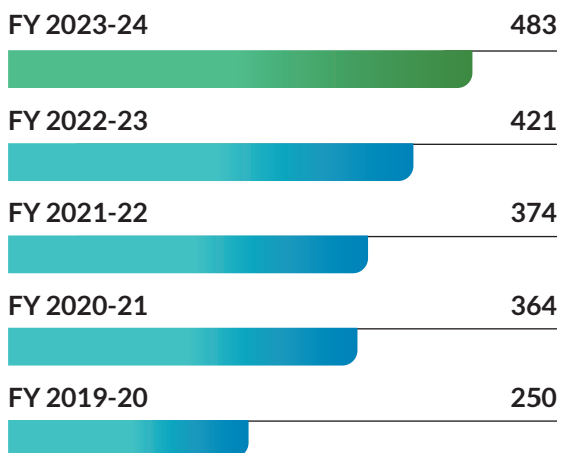


### Revenue across Verticals

(%)

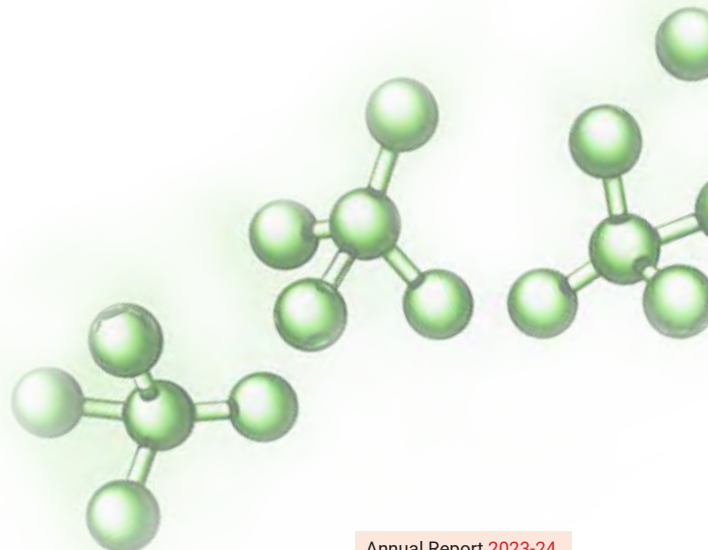
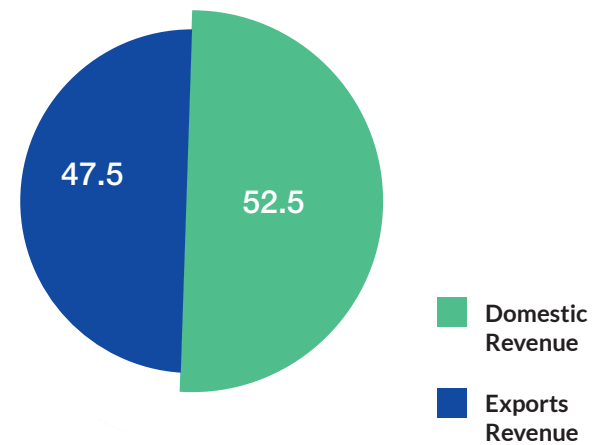


### Export (INR in Crores)



### Revenue Mix

(%)



# Building a Culture of Belonging and Empowerment

## Human Capital

We consider our employees to be our greatest asset at Concord. Placing a high priority on their safety and well-being, Concord offers comprehensive benefits and skill development programmes, nurturing their professional advancement. We value and respect our employees, actively soliciting their feedback to cultivate a supportive, fair, and enriching work environment conducive to happiness and fulfilment.

At Concord, we take measures to achieve equality. We strive to ensure equal access to education, employment, leadership positions, and other opportunities for all individuals. We also take steps to eliminate any existing barriers and biases that may hinder our approach to ensuring an inclusive and diverse workplace.

**2,400+**

Team strength



## Managing Talent

Effective talent management involves identifying, nurturing, and retaining top performers while providing opportunities for growth and development. By cultivating a culture of continuous learning and empowerment, we aim to drive organisational excellence. We strive to recruit top-tier talent, prioritising a dual approach that encompasses both external recruitment and the internal promotion of deserving candidates via our structured processes.

## Employee Health, Safety and Well-Being

As a company that manufactures APIs and finished formulations, we take the health and safety of our employees and workers very seriously. Our EHS department leads initiatives to foster a safety-centric culture, ensuring no negative impact on people, processes, or the environment. Two of our units are ISO 45001 certified and our manufacturing facilities have been audited and inspected by global regulators such as the USFDA, EUGMP, PMDA, Japan and MDFS, Korea.

We conduct regular process safety risk assessments at all our manufacturing facilities, which include assessments for both routine and non-routine work-related hazards. Techniques such as process hazard analysis, HAZOP and HIRA are adopted to proactively avoid incidents and ensure employee safety at all times. Systematic risk analysis and control, coupled with comprehensive training for management and

**144**  
No. of new hires (net)

employees, significantly reduce accidents and occupational health hazards. Regular training enhances operational excellence and ensures compliance with stringent quality and safety standards.

**ZERO**  
Work-related injuries  
reported during FY 2023-24

**100 %**  
employees trained on health and  
safety measures





## Learning and Development Initiatives

We offer extensive training programmes to enrich employee skills and knowledge, foster holistic development, and enhance opportunities for career growth and higher compensation. Regular sessions cover a broad range of topics, including:

### Safety Training

Emphasising workplace safety, road safety, first aid, and emergency response.

### Technology Introduction

Keeping employees updated with the latest technological advancements.

### Environmental Awareness

Promoting sustainable practices and environmental consciousness.

### Quality Management System (QMS)

Training on GMP, GLP, good documentation practices, and data integrity to maintain high standards.

### Operational Training

Covering equipment operations, cleaning and handling, dust collection and disposal.

### Skills Upgradation

Continuously improving employee skills to meet evolving industry standards.

# 100 %

No. of employees upskilled



## Employee Benefits

Concord prioritises employee well-being with comprehensive benefits, including accident insurance for all permanent employees and non-permanent workers, and maternity benefits for female employees. We also ensure significant support through provident funds, and gratuities consistently maintaining these benefits over the years.

Additionally, we conduct annual comprehensive medical check-ups for both our permanent and contractual employees. Moreover, we provide full meals to over 2,500 individuals daily, including daily wage workers, at a significantly subsidised rate in our canteen. We also prioritise their nutritional requirements by offering balanced meals approved by a dietitian.

# 100 %

employees covered under health insurance and accident insurance



# Commitment to a Greener Tomorrow

## Natural Capital

At Concord, our commitment to sustainability extends to the careful stewardship of natural capital. By integrating environmental considerations into our business strategies, we aim to minimise our ecological footprint and promote biodiversity. Our initiatives include optimising resource efficiency, reducing emissions, and enhancing waste management practices.







## Climate Action

We understand that taking prompt measures for climate action has become an urgent necessity in today's times. In line with the same, we have implemented energy efficient processes and technologies in our production processes, thus reducing our energy consumption.

We have undertaken several initiatives to enhance energy efficiency and reduce emissions. The installation of requirement-based insulation and smart thermostats, centrifugal air compressors and water chillers, and windows, along with upgrades to HVAC systems and LED lights, reflect our commitment to energy conservation. Incorporating energy efficient design principles further contributes to lowering energy consumption and emissions in buildings.

We have also undertaken the task of mapping our Scope 1 & 2 GHG emissions and intend to take measures to reduce them in the long run. We have transitioned to natural gas for steam production, replaced furnace oil, and implemented energy

efficient boilers to minimise fuel consumption. Additionally, we have improved transportation efficiency by optimising delivery routes and encouraging carpooling or the use of public transportation among our employees. Furthermore, we adopt sustainable manufacturing practices such as waste reduction, recycling, and the utilisation of agricultural materials and petrochemicals, to reduce GHG emissions associated with production processes. Outside our operations, we conduct regular tree plantation drives to offset the greenhouse gas emissions generated by our facilities.

# 203.45 GJ

Energy intensity per workforce individual





## Water Resource Management

At Concord, we are committed to responsible water stewardship and have implemented a range of initiatives to minimise our water footprint. Through practices such as recycling, reclamation, and responsible wastewater management, we have significantly reduced our water usage across our facilities.

Our Effluent Treatment Plants (ETPs) are designed with the goal of achieving Zero Liquid Discharge, contributing to a substantial 90% reduction in sludge volume within our dewatering system. Moreover, we utilise treated wastewater within our facilities for green belt development, effectively reducing our reliance on freshwater sources. To further enhance water conservation efforts, we have increased the amount of treated wastewater recycling and implemented rainwater collection systems to reuse water, thereby lessening our reliance on groundwater extraction and improving groundwater quality.

# 1,91,933 KL

## Water treated in ETP



## Waste Management

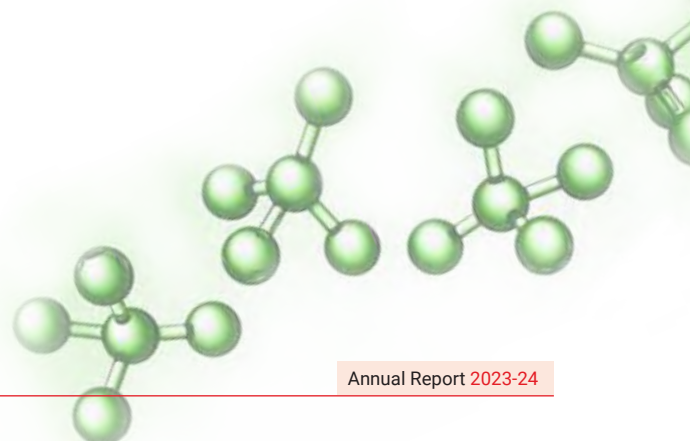
We maintain a strong commitment to responsible waste management practices within our organisation. This entails implementing strategies focussed on waste reduction, including recycling, reusing, and repurposing materials generated during our manufacturing processes. Embracing a circular economy model guides our efforts to minimise overall waste output.

Some of our key waste management initiatives include:

- ▶ Recycling HDPE bags to fill ETP sludge and MEE salt and selling surplus bags to recyclers.
- ▶ Sending e-waste to registered recyclers.
- ▶ Managing hazardous waste through reuse, recycling, or disposal per statutory guidelines, including selling to recyclers, co-processing, or using TSDF sites.
- ▶ Drying ETP sludge in a paddle dryer, reducing its moisture content by 90% before disposal.
- ▶ Directing biomedical waste to registered incineration sites.
- ▶ Engaging stakeholders to enhance environmental equity and explore circular economy opportunities.
- ▶ Promoting the use of eco-friendly alternatives such as jute bags over plastic.
- ▶ Aligning the waste collection plan with Extended Producer Responsibility (EPR) guidelines submitted to Pollution Control Boards.

# 409.31 MT

## Waste reused and recycled



# Cultivating Strong Connections and Responsible Practices

Social Capital

We prioritise fostering strong relationships with all stakeholders, valuing their well-being and striving to cultivate enduring connections. Additionally, we adhere to responsible supply chain practices and acknowledge our role in positively impacting the communities we serve. Through our CSR activities, we embrace our responsibility to uplift and support the development of our surrounding communities.

## Customer Focus

We cater to more than 250 customers over 70+ countries, encompassing pharmaceutical companies, distributors, and government and corporate hospitals. Concord believes in 'One Customer, One Product' and takes stringent measures to safeguard the Intellectual Property of our customers. With the ability to manufacture a wide range of formulations and a strong and consistent track record of delivering quality along with operational excellence, we are a leading choice for our customers. Our expanding customer base shows a strong commitment to the interests and needs of our customers.



## Responsible Supply Chain Practices

At Concord, we have established a protocol prioritising local sourcing, which in turn supports communities and also reduces our transportation-related emissions. Raw materials are procured only from suppliers committed to sustainable and ethical standards. Implementation of a rigorous due diligence system, mandating suppliers to disclose operational details via our comprehensive preliminary questionnaire covering diverse ESG factors has been put in place to adhere to the same. Additionally, Concord has instituted a 'Supplier Code of Conduct' (SCoC) to offer guidance to our value chain partners.

Some key initiatives to ensure a sustainable value chain include:

Emphasising vendor adherence to socially responsible standards, including contract labour, non-discrimination, equal rights, working hours, and environmental factors.

Assessing and selecting vendors based on their use of reliable, environmentally friendly procedures, ethical manufacturing methods, and sustainable production techniques.

Prioritising the environmental and social aspects of the supply chain to help suppliers improve their performance on these measures.

## CSR Activities

Beyond our business, we are making a difference in the lives of those around our manufacturing facilities through our CSR activities. From rural development to quality education, we have implemented various projects to uplift communities. We have also undertaken initiatives such as tree planting to promote environmental sustainability.

At Concord, our commitment to Corporate Social Responsibility (CSR) is demonstrated through various initiatives aimed at uplifting vulnerable and marginalised communities. Our key CSR projects and their impacts are as follows:

### ► Gyanjyot

Benefitting 6,000 individuals from vulnerable and marginalised groups

### ► 3 STEM Learning Labs

Supporting 500 students to pursue education in science, technology, engineering, and mathematics

### ► Scholarship Programme

Providing educational scholarships to 100 students, ensuring opportunities for those from underprivileged communities

### ► Mobile Medical Units1

Serving 35,000 people across 30 villages in the Dholka, Valthera, and Limbasi regions, delivering essential healthcare services to the communities

### ► Vision Centres

Offering eye care services to 10,000 individuals, entirely focussed on those from vulnerable groups

### ► Morning Nutrition Programme

Implemented in 10 municipal schools in Dholka, benefitting 2,500 children with nutritious meals

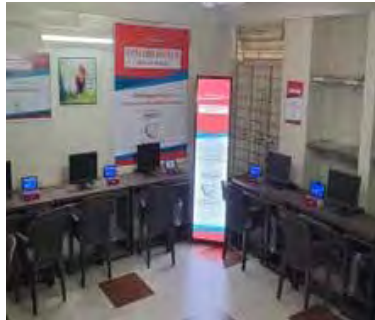
### ► Sports Scholarship

Awarding one scholarship to a promising athlete from a vulnerable group, supporting their development and success in sports





▶ Gyanjyot



▶ 3 STEM Learning Labs



▶ Scholarship Programme



▶ Mobile Medical Units1



▶ Vision Centres



▶ Morning Nutrition Programme



▶ Sports Scholarship

**54,000+**  
Beneficiaries

## CSR Spend

(INR in Crores)

Fiscal Year	CSR Spend (INR in Crores)
FY 2023-24	5.9
FY 2022-23	5.0
FY 2021-22	4.5
FY 2020-21	3.3

# Achieving Growth with Integrity and Accountability

## Governance

With a strong framework, robust policies and the highest ethical standards, Concord is committed of achieving sustainable and profitable growth.

Through strategic guidance and effective decision-making, the Board ensures that our operations align with its core values and objectives, fostering trust and confidence among all our stakeholders.

## Governance Framework

The governance framework of our Company is the backbone of our dedication to transparency, accountability, and integrity. It not only directs decision-making processes but also ensures adherence to regulations while fostering ethical behaviour. Our framework provides a comprehensive overview of our governance structure, highlighting crucial policies, procedures, and initiatives. At the forefront of our strategic direction is a distinguished Board of Directors, comprising accomplished experts and renowned industrialists. Entrusted with critical policymaking and operational oversight, the Board diligently ensures adherence to legal and regulatory standards, consistently prioritising the interests of our Company and shareholders. With a diverse composition, the Board and its committees include individuals from various backgrounds, holding key leadership roles and decision-making responsibilities.



5

Independent directors

2

Executive director

2

Non-executive directors

## Key Policies and Practices

- ▶ Insider Trading Policy
- ▶ Dividend Distribution Policy
- ▶ Code of Practices - Fair Disclosure of UPSI
- ▶ Code of Conduct for BoD and SMPs
- ▶ Archival Policy
- ▶ Policy for Determination of Materiality
- ▶ Whistle Blower Policy
- ▶ UPSI Leak Inquiry Policy
- ▶ Succession Policy
- ▶ Risk Management Policy
- ▶ Policy to Promote Diversity of Board of Directors
- ▶ Policy on Related Party Transactions
- ▶ Policy on Material Subsidiaries
- ▶ Policy for Preservation of Documents
- ▶ Policy for Familiarisation Programme for Independent Directors
- ▶ Policy for Evaluation of the Performance of the Board of Directors
- ▶ Nomination and Remuneration Policy
- ▶ Credit Rating
- ▶ Composition of Committees
- ▶ Letter of Appointment for Independent Director
- ▶ CSR Annual Action Plan
- ▶ Anti-Fraud and Anti-Corruption Policy

## Board Committees

Our Board committees comprise seasoned directors and independent experts, ensuring rigorous oversight and strategic guidance across key areas. Our Board of Directors also constitutes committees from time to time for various functions.

 Audit Committee

 Nomination and Remuneration Committee

 Stakeholders' Relationship Committee

## Board of Directors



### Mr. Sudhir Vaid

**Chairman & Managing Director**

Mr. Sudhir Vaid by profession a Biotechnologist is a technocrat turned entrepreneur. After completion of his studies in Microbiology from Punjab University in 1974 started his carrier in the Biotechnology. Mr. Vaid has around 48 years of experience in the development of biopharmaceutical products, production management, marketing and strategic planning. During his 48 years of carrier he has been associated with most of the companies which intended to take biotechnology as green field project.

Mr. Vaid is member of Governing Body of Gujarat Biotechnology Research Centre and GSBTM, Government of Gujarat.

Mr. Vaid has also been appointed as Chairman of Advisory Council of Gujarat Biotechnology University by Government of Gujarat, wherein he shares his rich experience to deliver innovative biotechnology solutions.

### Mr. Ankur Vaid

**Joint MD & CEO**

Mr. Ankur Vaid holds a Bachelor of Technology degree in chemical engineering from Rashtrasant Tukadoji Maharaj Nagpur University. He also has an MBA degree from Rochester Institute of Technology. He has been associated with our Company since 2009 and has more than 15 years of experience in the pharmaceutical industry. He has been involved in the marketing, commercial, product development and strategic decisions of our Company.

### Mr. Ravi Kapoor

**Non-Executive Director**

Mr. Ravi Kapoor has a bachelor's degree in commerce from Gujarat University and a bachelor's degree in law from L.A. Shah Law College, Gujarat University. He also holds a master's degree in commerce from Gujarat University and a postgraduate diploma in Intellectual Property Rights Law from the National Law School of India University, Bangalore. He is a member of the Institute of Company Secretaries of India and is entitled to practice as a Company secretary. Further, he is also a member of the Indian Institute of Bankers and an associate member of the All-India Management Association. He has been associated with the Company since December 2003.





**(A)** Chairperson of the Committee

**(C)** Chairman of the Committee

**(M)** Member of the Committee

**●** Risk Management Committee

**●** Corporate Social Responsibility Committee



**(C)**



**(M)**



**(A)** **(M)**  
**(C)**

## Mr. Rajiv Ambrish Agarwal

**Non-Executive Director**

Mr. Rajiv Ambrish Agarwal holds a Bachelor of Technology degree in chemical engineering from Banaras Hindu University. He has been associated with Rare Enterprises since 2006 and is a nominee for RARE Trusts. His focus is on growing Rare Enterprises' strategic investments in diverse sectors. He has experience in B2B and B2C businesses, which form part of Rare Enterprises' private equity portfolio. He has been associated with the Company since June 2008.

## Ms. Bharti Khanna

**Independent Director**

Ms. Bharti Khanna has a bachelor's degree and a master's degree in pharmacy from the University of Delhi. She has been an Independent Director on our Board since January 2017.

## Mr. Amitabh Thakore

**Independent Director**

Mr. Amitabh Thakore holds a bachelor's degree in mechanical engineering from Maharaja Sayajirao University of Baroda. He also holds a Master of Science degree in industrial engineering from Lehigh University and a postgraduate diploma in business administration from the Indian Institute of Management, Ahmedabad. He has been associated with the Company since January 2017.

## Board of Directors



### Mr. Arvind Agarwal

#### Independent Director

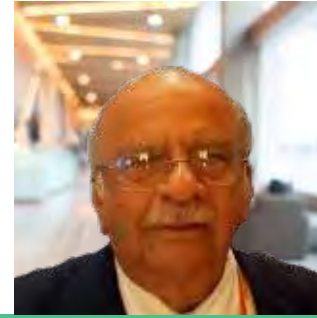
Mr. Arvind Agarwal has a bachelor's degree in commerce from the University of Bombay. He is a retired IAS officer of Gujarat cadre, with over 35 years of experience in the Indian Administrative Service. He also acted as the Additional Chief Secretary for the industries and mines department and the environment and forests department. He has been associated with the Company since May 2022.



### Mr. Jayaram Easwaran

#### Independent Director

Mr. Jayaram Easwaran has a postgraduate diploma in management from the Indian Institute of Management, Bangalore. He has been associated with the Company since June 2022.



### Dr. Mandayam Chakravarthy Sriraman

#### Independent Director

Dr. Mandayam Chakravarthy Sriraman has a bachelor's degree in science from Fergusson College and a master's degree in science, specialising in organic chemistry from the University of Pune. Additionally, he holds a Doctorate in chemistry from the University of Pune and a postgraduate diploma in patent law from the National Academy of Legal Studies and Research University. He has also participated in a training course for validation during API development and manufacturing conducted by the Pharmaffiliates Asia Research Foundation. He was commemorated by the American Chemical Society at its 125<sup>th</sup> anniversary as a member in good standing on 2001 and was awarded the Man of the Year in Science in 2009 for outstanding contributions to science as recognised by the American Biographical Institute. He was also awarded by the management of Camphor and Allied Products Limited for the completion of his project at the Multi-Chem Research Centre. He has been associated with the Company since June 2022.



# Corporate Information

## Board of Directors

### Mr. SUDHIR VAID

Chairman & Managing Director

### Mr. ANKUR VAID

Joint Managing Director & CEO

### Mr. RAVI KAPOOR

Director

### Mr. ARVIND AGARWAL

Director

### Mr. RAJIV AGARWAL

Director

### Mrs. BHARTI KHANNA

Director

### Mr. AMITABH THAKORE

Director

### Mr. JAYARAM EASWARAN

Director

### DR. MANDAYAM CHAKRAVARTHY SRIRAMAN

Director

## Registered office

1482 - 1486, Trasad Road Dholka,  
Ahmedabad, Gujarat, 382225

## Corporate identity Number

L24230GJ1984PLC007440

## Chief Financial officer

Mr. Lalit Sethi

## Company Secretary

Mr. Prakash Sajnani

## Bankers

Axis Bank Limited  
State Bank of India

## Statutory Auditors

Deloitte Haskins & Sells

## Internal Auditors

Ramanlal G. Shah & Co.

## Management Auditors

M/s Manubhai & shah LLP

## Manufacturing Locations

- ▶ 1482 - 1486, Trasad Road Dholka,  
Ahmedabad, Gujarat, 382225
- ▶ 297 - 298 /2P, Valthera, Dholka  
Ahmedabad Gujarat, 382225
- ▶ Survey No 84 And 668, Ranasar and Malawada, Nr  
Limbari, Ta. Matar Dist. Kheda, Gujarat, 387520

# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT







## SECTION A: GENERAL DISCLOSURES

### I. DETAILS OF THE LISTED ENTITY

1. ▶	Corporate Identity Number (CIN) of the listed entity	L24230GJ1984PLC007440
2. ▶	Name of the listed entity	Concord Biotech Limited
3. ▶	Year of incorporation	1984
4. ▶	Registered office address	1482-1486, Trasad Road, Dholka, Dist. Ahmedabad - 382 225, Gujarat
5. ▶	Corporate address	B-1601-1602, B-Wing, Mondeal Heights, Iskcon Cross Road, S. G. Highway Ahmedabad - 380 015, Gujarat
6. ▶	E-mail	lalitsethi@concordbiotech.com
7. ▶	Telephone	079-68138700
8. ▶	Website	www.concordbiotech.com
9. ▶	Financial year for which reporting is being done	FY 2023-24
10. ▶	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Ltd. BSE Ltd.
11. ▶	Paid-up capital	INR 10,46,16,204/- divided into 10,46,16,204 equity shares of INR 1/- each fully paid-up.
12. ▶	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Lalit Sethi E-mail: lalitsethi@concordbiotech.com Telephone: 079-68138700
13. ▶	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Standalone basis
14. ▶	Name of assurance provider	NA
15. ▶	Type of assurance obtained	NA

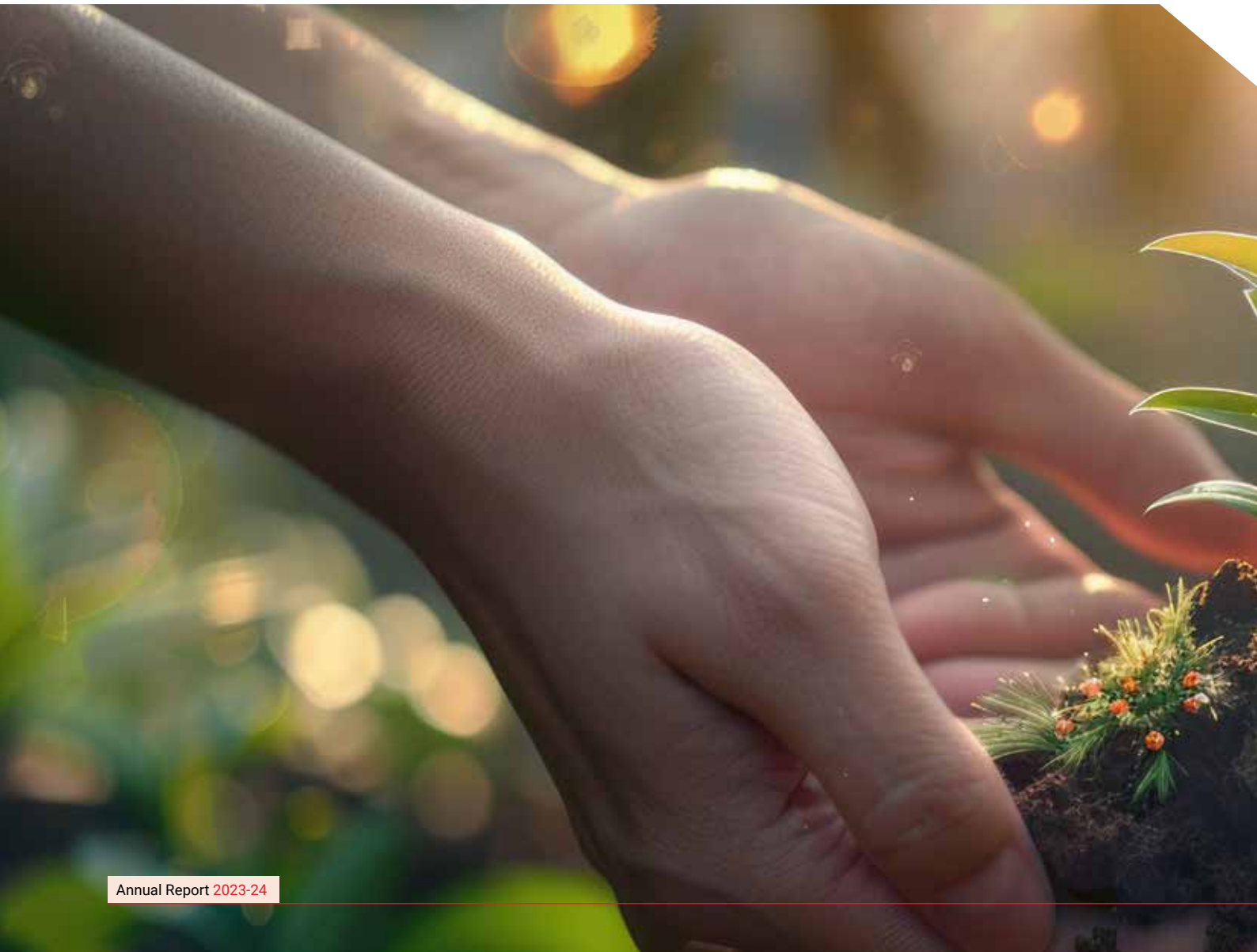
## II. PRODUCTS/SERVICES

### 16. Details of business activities (accounting for 90% of the turnover)

Description of main activity	Description of business activity	% of turnover of the entity
Manufacturing of pharmaceuticals	Research, development, manufacturing and sale of active pharmaceutical ingredients	81%
Manufacturing of pharmaceuticals	Research, development, manufacturing and sale of finished formulations	19%

### 17. Products/services sold by the entity (accounting for 90% of the entity's turnover)

<u>Product/Service</u>	<u>NIC code</u>	<u>% of total turnover contributed</u>
Manufacturing of pharmaceuticals, medicinal chemical and botanical products	210	100%



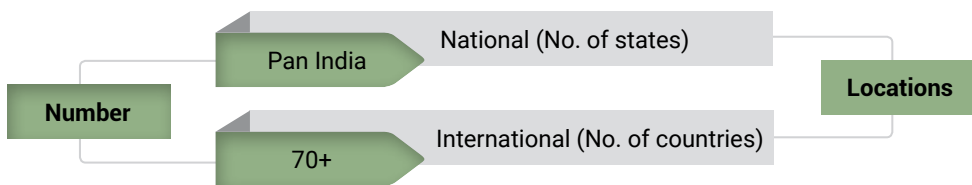
### III. OPERATIONS

18. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of plants	Number of offices	Total
National	3 manufacturing units (All are located in Gujarat)	1 corporate office	4
International	0	0	0

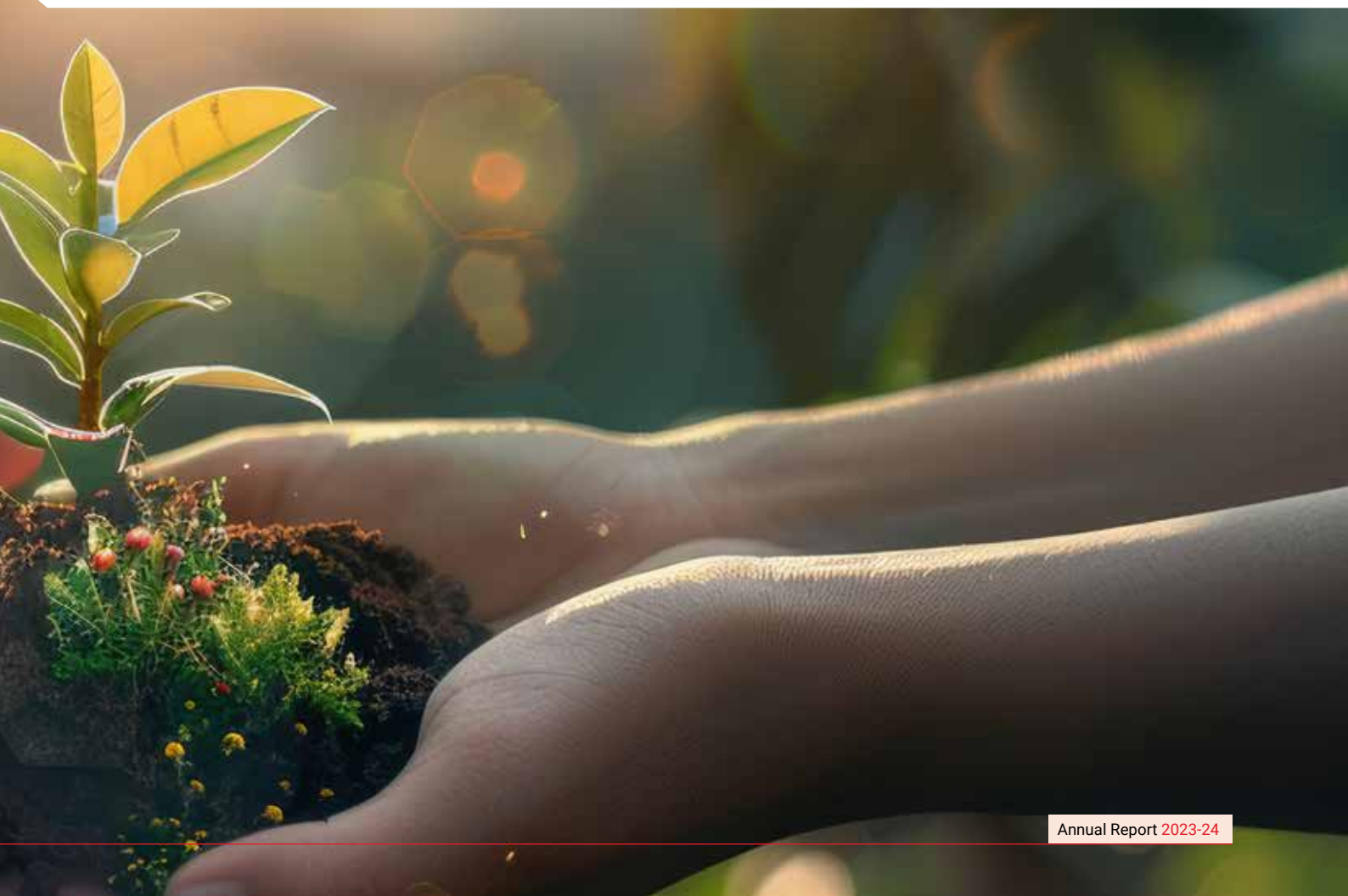
19. Markets served by the entity:

**a. Number of locations**



**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

Over 45% of Concord's total revenue can be attributed to its earnings from exports.





**c. A brief on types of customers**

Concord is a research-based biopharmaceutical company with three business verticals: API, finished formulations, and contract research & manufacturing. For the API business, the Company works with various formulation companies globally that manufacture products in the therapy of immunosuppressants, oncology, and anti-infectives, including anti-bacterial and anti-fungal.

For the finished formulations vertical, Concord supplies its products to global markets such as USA, Latin America, the Middle East, and Southeast Asia. In India, Concord operates on B2C and B2B; and works with various government and corporate hospitals and end patients. For its third vertical, which is contract research & manufacturing, Concord works with several global biopharmaceutical companies in the areas of fermentation, semi-synthetic APIs and finished formulations. Some of the major activities undertaken are strain improvement, media optimisation, process optimisation and scaling up from R&D to pilot and commercial scale.

Our portfolio of APIs and formulations caters to over 200 customers in more than 70 countries, encompassing pharmaceutical companies, distributors, and government and corporate hospitals, with an impeccable track record of quality, safety, and reliability for more than 2 decades. Concord's products help enhance the healthcare process in both developed and developing countries.

**Employees**

20. Details as at the end of financial year

**a. Employees and workers (including differently abled)**

Sr. no.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Employees</b>						
1.	Permanent (D)	1,377	1,288	93.54%	89	6.46%
2.	Other than permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	1,377	1,288	93.54%	89	6.46%
<b>Workers</b>						
4.	Permanent (F)	-	-	-	-	-
5.	Other than permanent (G)	1,024	1,011	98.73%	13	1.27%
6.	Total workers (F + G)	1,024	1,011	98.73%	13	1.27%

**b. Differently abled employees and workers**

Sr. no.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Differently abled employees</b>						
1.	Permanent (D)	Nil	Nil	NA	Nil	NA
2.	Other than permanent (E)	Nil	Nil	NA	Nil	NA
3.	Total differently abled workers (D + E)	Nil	Nil	NA	Nil	NA
<b>Differently abled workers</b>						
4.	Permanent (F)	Nil	Nil	NA	Nil	NA
5.	Other than permanent (G)	Nil	Nil	NA	Nil	NA
6.	Total differently abled workers (F + G)	Nil	Nil	NA	Nil	NA



## 21. Participation/inclusion/representation of women

Particulars	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	9	1	11.11%
Key Management Personnel	4	0	0%

## 22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees	14.32%	85.71%	16.70%	12.12%	18.18%	12.00%	8.41	8.00%	2.00%
Permanent workers	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## IV. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

## 23. (a) Names of holding/subsidiary/associate companies/joint ventures

Name of the holding/subsidiary/associate companies/joint ventures (A)

**Concord Japan KK**

Indicate whether holding/subsidiary/associate/joint venture

**Joint Venture Company**

% of shares held by listed entity

**50%**

Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)

**No**

## V. CSR DETAILS

24. Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

## i. Turnover (in INR)







**INR 1,016.93 Crores**

## ii. Net worth (in INR)

**INR 1,526.64 Crores**

## VI. TRANSPARENCY AND DISCLOSURES COMPLIANCES

### 25. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint was received	Grievance redressal mechanism in place (Yes/No)  (If yes, then provide a weblink to the grievance redress policy)	FY 2023-24 (Current financial year)			FY 2022-23 (Previous financial year)		
		Number of complaints filed during the year	Number of complaints with pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints with pending resolution at the close of the year	Remarks
 Communities	No	NA	NA	NA	NA	NA	NA
 Investors (other than shareholders)	Yes. Concord offers a structured approach to addressing any concerns or grievances raised by investors and shareholders. The same can be reviewed at the following weblink: <a href="https://scores.gov.in/scores/Welcome.html">https://scores.gov.in/scores/Welcome.html</a>	Nil	NA	NA	Nil	NA	NA
 Shareholders	Yes. Employees and workers are covered by a whistle blower policy for registering their complaints. The same can be reviewed at the following weblink: <a href="https://www.concordbiotech.com/public/assets/pdf/Concord-Biotech-Limited-Whistle-Blower-Policy.pdf">https://www.concordbiotech.com/public/assets/pdf/Concord-Biotech-Limited-Whistle-Blower-Policy.pdf</a>	Nil	NA	NA	Nil	NA	NA
 Customers	No. Since the majority of the business is B2B, Concord does not have a defined grievance redressal policy for customers.	Nil	NA	NA	NA	NA	NA
 Value chain partners	No	NA	NA	NA	NA	NA	NA
 Other (please specify)	NA	NA	NA	NA	NA	NA	NA

## 26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, and approach to adapt or mitigate the risk along with its financial implications, as per the following format.







Risk





Opportunity

Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
R&D and innovation		R&D investment boosts green innovation for environmental sustainability and ESG performance enhancement. Strategic R&D investments and transparent disclosure facilitate stakeholders' understanding of the organisation's approach and scale.	–	<b>Positive</b> Advanced technological innovations place Concord at the forefront of industry-leading discoveries and open new avenues for business growth.
Quality management		When manufacturing pharmaceutical products, ensuring quality is of paramount concern. Degradation in quality will have a negative effect, whereas maintaining consistent quality enhances trust and reliability among customers.	<ul style="list-style-type: none"> <li>• Ensuring a system is in place to uphold product quality and regulatory compliance consistently</li> <li>• Pharmacovigilance processes actively monitor and address product-related risks, fostering continuous product improvement</li> <li>• A dedicated team manages complaints via a web portal and a toll-free number, ensuring prompt investigation and action</li> <li>• Mandatory pharmacovigilance training is provided to all employees, reinforcing commitment to safety and quality</li> </ul>	<b>Negative</b> Poor product quality can increase the number of product recalls and thereby cause operational and reputational damage. As a result, customer satisfaction and trust are also affected.
Supply chain disruption		Ensuring a stable supply chain for business continuity is important in the pharmaceutical industry. Therefore, it is imperative to undertake initiatives aimed at anticipating, preventing, and mitigating any disruptions that may arise.	<ul style="list-style-type: none"> <li>• Integrating the supply chain ensures global medicine availability without interruption</li> <li>• Emphasising cost-effective and sustainable logistics, from raw material procurement to final product delivery</li> <li>• Ensuring environmental compliance through mandatory audits for critical vendors</li> <li>• Guiding partners on legal, regulatory, and ethical standards through a Supplier Code of Conduct</li> </ul>	<b>Negative</b> Delays in receiving raw materials from suppliers can lead to late product deliveries to customers, resulting in reputational damage for the Company. Any disruption in Concord's value chain can have adverse effects on operations, potentially hindering product supply and escalating costs.



Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
Business conduct & ethics		Engaging in unethical conduct and disregarding ethical principles can significantly damage our reputation.	<ul style="list-style-type: none"> <li>• Upholding principles of integrity, transparency, accountability, and ethics</li> <li>• Establishing professional management teams and independent boards for better governance</li> <li>• Implementing global best practices in corporate governance and risk management</li> <li>• Preserving and enhancing value consistently by the Group</li> </ul>	<b>Negative</b> Damage to the reputation of the Company can affect its business growth and revenue.
GHG emissions		GHG emissions pose regulatory, market, physical, reputational, and financial risks. Compliance costs, reduced demand, infrastructure damage, tarnished reputations, and investor backlash are key concerns. Addressing emissions through mitigation strategies is crucial to mitigating these risks and fostering long-term sustainability.	<ul style="list-style-type: none"> <li>• Transitioning to natural gas for steam production</li> <li>• Planting trees to offset emissions</li> <li>• Installing energy-efficient boilers and equipment like LED lighting and solar-powered systems</li> </ul>	<b>Negative</b> The impact of GHG emissions encompasses compliance expenditures tied to regulations, revenue downturn resulting from decreased demand for unsustainable products, climate-related infrastructure damage costs, expenses related to reputation management and marketing, as well as increased borrowing costs.
Water management		Our processes are water-intensive, and water is a limited resource that has to be used judiciously. We have implemented Effluent treatment plants with Zero Liquid Discharge	–	<b>Positive</b> Implementation of ZLD results in reduced freshwater consumption, lowering expenditure on water sourcing for the Company's operations.
Inclusion and diversity		Concord prioritises nurturing a workplace culture that champions diversity and inclusivity, as evident in its recruitment, promotion, and leadership strategies across all organisational echelons. The Company places immense value on fostering a workforce where varied perspectives and inclusive dynamics are embraced, from senior management to entry-level roles.	–	<b>Positive</b> A pool of diverse workforce from different genders, ages and ethnicities, enables Concord to develop, expand and mitigate operational risks.

Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
Community engagement		We consider it our responsibility to care for the community around our operations.	–	<b>Positive</b> By empowering and uplifting our surrounding communities, we can mitigate future grievances or concerns, thus safeguarding the business from any adverse events.
Data privacy & cybersecurity		Data breaches, unauthorised access to intellectual property and R&D data can pose significant risks to Concord's operations.	Investing in building a robust digital architecture that supports data platforms across all functions.	<b>Negative</b> Unauthorised access to intellectual property or other confidential company data can result in significant financial losses for the organisation.
Employee health & safety		Failure to ensure a safe working environment can result in legal liabilities. Workplace accidents and illnesses can lead to reduced productivity. Unsafe conditions can also impact morale, job satisfaction, and engagement.	<ul style="list-style-type: none"> <li>• Ensuring a safe and healthy workplace with established protocols for employee well-being and safety</li> <li>• Fostering an environment that attracts and retains talent through empowerment, growth opportunities, flexibility, competitive remuneration, and a sense of purpose</li> <li>• Implementing rigorous safety procedures and ongoing process improvements across all sites to promote a zero-incident safety culture</li> <li>• Conducting employee trainings and enforcing protocols for preventing, reporting, and addressing misconduct, including sexual harassment and discrimination</li> </ul>	<b>Negative</b> The absence of a safe and empowering workplace could result in adverse financial consequences such as fines and penalties. Additionally, it could lead to operational and reputational damage.

Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
End-user health & safety		Products not meeting standards can cause harm to the health of consumers, resulting in product recalls, financial losses and reputational damage to the organisation. It may also lead to litigation risks and a loss of consumer confidence.	<ul style="list-style-type: none"> <li>Regularly inspecting both raw materials and finished products to identify any impurities or deviations in composition.</li> </ul>	<p><b>Negative</b></p> <p>Products of the Company posing harm to or not meeting end-user standards can tarnish the brand reputation, potentially resulting in financial losses.</p>
Waste management		Environmental pollution, legal liabilities, and risks to human health are caused by improper handling and disposal of waste. Regulatory scrutiny and cleanup obligations stemming from violations can disrupt operations, leading to financial losses and reputational damage.	<ul style="list-style-type: none"> <li>Adhering to regulatory standards for waste management</li> <li>Ensuring responsible treatment of the generated waste</li> <li>Following appropriate methods for waste disposal</li> </ul>	<p><b>Negative</b></p> <p>Improper waste management can cause regulatory fines, cleanup costs for environmental damage, legal expenses, and higher insurance premiums. Additionally, it can lead to reputational damage affecting business opportunities, and increased operating expenses, ultimately reducing profitability.</p>

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC principles and core elements.

### PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

### PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

### PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

### PRINCIPLE 4:

Businesses should respect the interests of and be responsive to all its stakeholders

### PRINCIPLE 5:

Businesses should respect and promote human rights

### PRINCIPLE 6:

Businesses should respect and make efforts to protect and restore the environment

### PRINCIPLE 7:

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

### PRINCIPLE 8:

Businesses should promote inclusive growth and equitable development

### PRINCIPLE 9:

Businesses should engage with and provide value to their consumers in a responsible manner





Sr. no.	Disclosure questions	P1	P2	P3	P4	P5	P6	P7*	P8	P9
<b>Policy and management processes</b>										
<b>1</b>	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Weblink of the policies, if available	1, 2, 3, 4, 5		6	6, 7	6, 8	9		7	
	1. Insider Trading Policy									
	2. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information									
	3. Code of Conduct for Board of Directors and Senior Management Personnel									
	4. Policy for Familiarisation Programmes for Independent Directors									
	5. Policy for Evaluation of the Performance of the Board of Directors									
	6. Whistle Blower Policy									
	7. Social Responsibility Policy									
	8. Nomination & Remuneration Policy									
	9. Risk Management Policy									

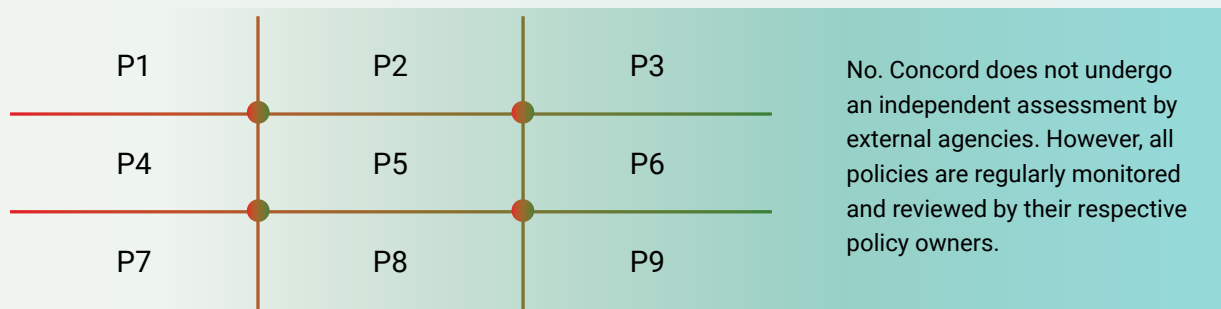


Sr. no.	Disclosure questions	P1	P2	P3	P4	P5	P6	P7*	P8	P9
2	Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, Concord's Supplier Code of Conduct largely includes the above-mentioned principles, and the value chain partners are expected to adhere to the requirements outlined.								
4	Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.						ISO 14001  ISO 45001		USFDA EUGMP PMDA, Japan MDFS, Korea, GMP certificate	
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	<ol style="list-style-type: none"> <li>Increase in recycling of treated waste water</li> <li>Supplier assessment on ESG parameters as per BRSR</li> <li>Scope 1 &amp; 2 emissions' measurement</li> <li>Reach the target of zero LTA</li> <li>100% statutory compliance</li> <li>External EHS audit with no major NC</li> <li>100% implementation of ISO 14001 and ISO 45001</li> </ol>								
6	Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	<ul style="list-style-type: none"> <li>2 of our units are ISO14001 &amp; ISO 45001 certified</li> <li>Our facilities have Effluent Treatment Plants (ETPs) and ETP sludge dewatering systems. With these facilities, we have reduced 90% of the sludge volume in our dewatering system, thereby contributing towards Zero Liquid Discharge.</li> </ul>								
<b>Governance, leadership and oversight</b>										
7	Statement by the director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)  Please refer to the Chairman's message from Concord's Annual Report for FY 2023-24.									
8	Details of the highest authority responsible for implementing and overseeing the Business Responsibility policy(ies).	The Business Responsibility (BR) policies are broadly managed by the Chairman, the Chief Executive Officer and the KMPs.								
9	Does the entity have a specified Committee of the Board/Director responsible for decision-making on sustainability related issues? (Yes/No). If yes, provide details.	Yes, CSR Committee								

10 Details of review of NGRBCs by the Company:																		
Subject for review	Indicate whether the review was undertaken by Director/committee of the Board/any other committee									Frequency (Annually/half yearly/quarterly/ Any other – please specify)								
	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Performance against the above policies and follow-up action	Corporate Social Responsibility Committee of the Board									Half-yearly basis								
	Board									Annual basis								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Corporate Social Responsibility Committee									Annual basis								

\*Concord actively engages in public policy advocacy by regularly interacting with specific external stakeholders, including industry associations, government bodies, and regulatory departments. However, the Company does not have a formal advocacy policy.

**11 Has the entity carried out an independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.**



**12 If the answer to question (1) above is 'No' i.e. not all Principles are covered by a policy, reasons to be stated**

Questions	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9
The entity does not consider the Principles material to its business (Yes/No)	The Company considers all the principles material to the business. It does not currently conduct independent third-party assessments of its policies.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	No								
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	No								
It is planned to be done in the next financial year (Yes/No)	No								
Any other reason (please specify)	–								

## SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as 'Essential' and 'Leadership'. While the essential indicators are expected to be disclosed by every entity mandated to file this report, the leadership indicators may be voluntarily disclosed by entities that aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

### PRINCIPLE 1

**Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable.**

#### Essential Indicators

#### 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year

Segment	Total no. of training and awareness programmes held	Topics/principles covered under the training and impact	% age of persons in respective category covered by the awareness programme
Board of Directors	4	Overview of Business Units, Building Strategies, and Business Modelling.	100%
Key Managerial Personnel	6	Talent Development for Customised Development.	100%
Employees other than BOD & KMPs	75	Quality Management System, GMP GLP, Good Documents Practices, and Data Integrity	100%
Workers	50	Operations, Cleaning and Handling of Equipment, Dust Collection and Disposal, and Skills Upgradation	100%

#### 2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	Monetary				
	NGRBC principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (in INR)	Brief of the case	Has an appeal been preferred (Yes/No)
Penalty/fine			Nil		
Settlement			Nil		
Compounding fee			Nil		



Non-Monetary			
NGRBC principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the case	Has an appeal been preferred (Yes/No)
Imprisonment		Nil	
Punishment		Nil	

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

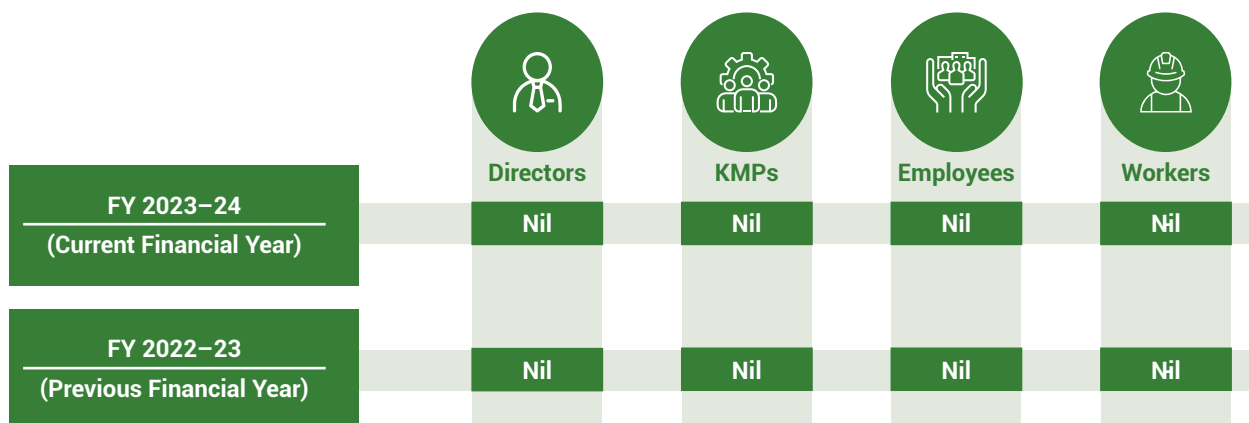
Case details	Name of the regulatory/enforcement agencies/ judicial institutions
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

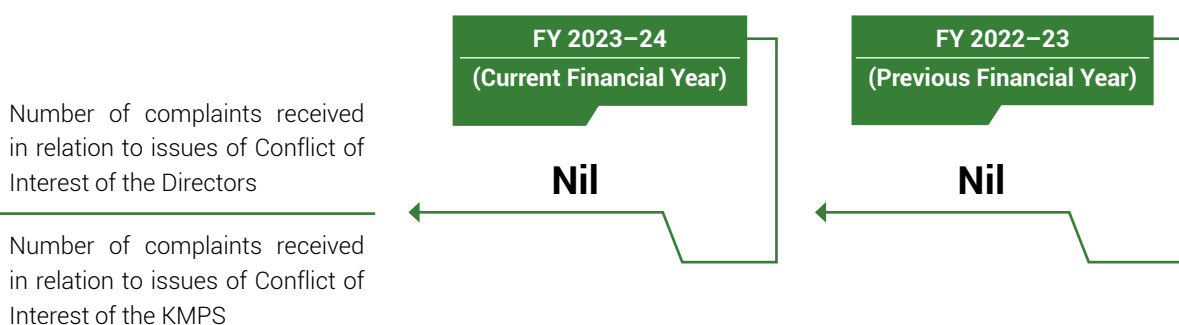
Yes. We have an anti-fraud policy to prevent, report, and address fraud and corruption within the organisation. It mandates honest and ethical conduct from all team members, prohibiting any involvement in fraudulent activities. The policy includes procedures for reporting suspected fraud, outlines investigation processes, and specifies disciplinary actions for violations. Compliance with the policy is mandatory for all employees and contractors, emphasising the importance of maintaining integrity and ethical business practices.

Please refer to Concord's website at: <https://www.concordbiotech.com/public/assets/pdf/anti-fraud-and-anti-corruption-policy.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:



6. Details of complaints with regard to conflict of interest:



7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

NA

8. Number of days of accounts payables ((accounts payable \*365)/cost of goods/services procured) in the following format:

**FY 2023-24**  
(Current Financial year)

No. of days of accounts payable

150 days

**FY 2022-23**  
(Previous financial year)

No. of days of accounts payable

190 days

9. Open-ness of business.

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
Concentration of purchases	a. Purchases from trading houses as % of total purchases	65%	66%
	b. Number of trading houses where purchases are made from	165	154
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	46%	42%
Concentration of sales (formulation)	a. Sales to dealers/distributors as % of total sales	17%	10%
	b. Number of dealers/distributors to whom sales are made	327	388
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	58%	47%
Share of RPTs in	a. Purchases (purchases with related parties/total purchases)	Nil	Nil
	b. Sales (sales to related parties/total sales)	4.23%	6.32%
	c. Loans & advances (loans & advances given to related parties/total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties/total Investments made)	Nil	Nil

Note: Negligible sales in the API with dealers or distributors are excluded from the calculation.

## Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

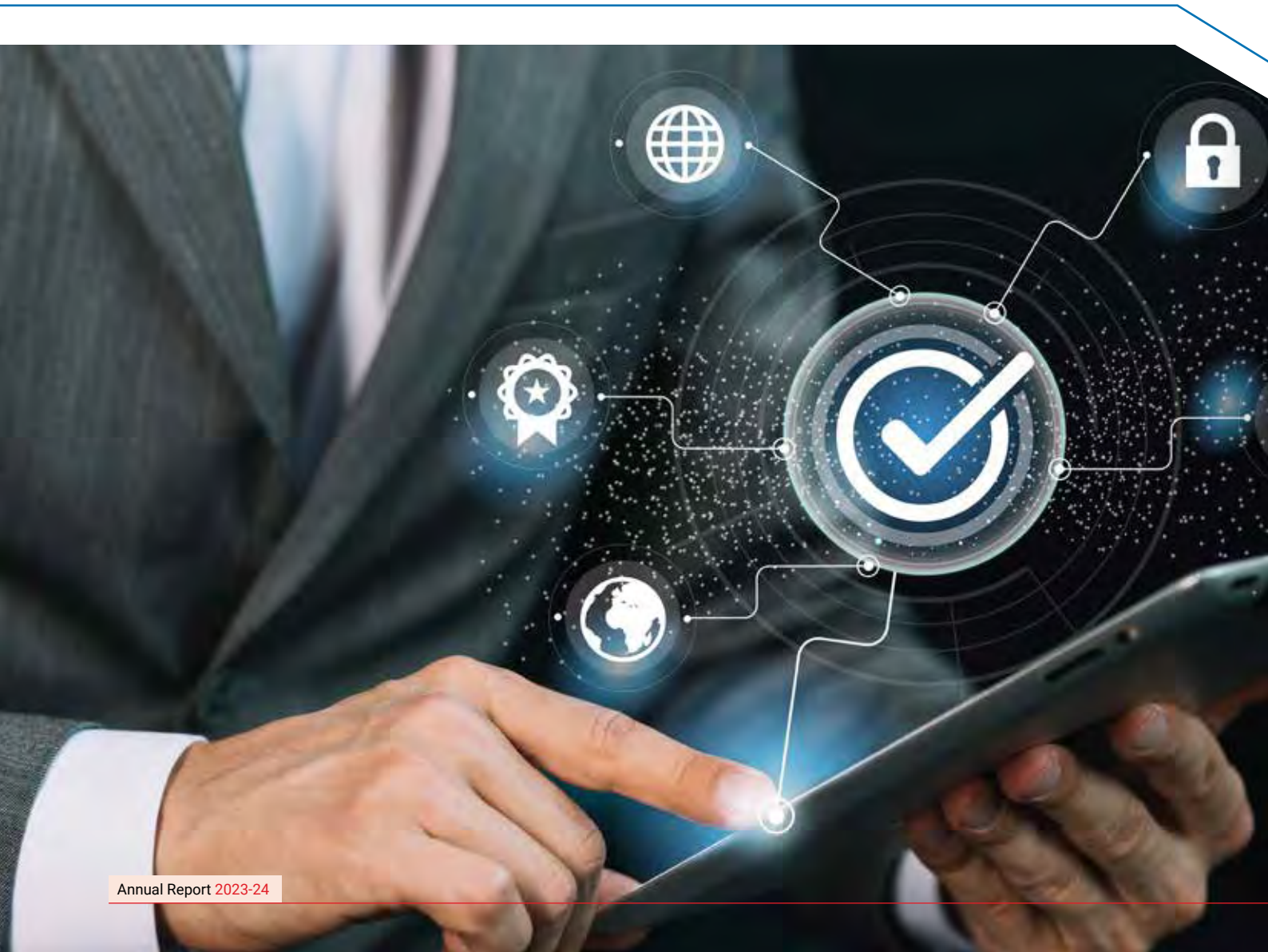
Concord has established a 'Supplier Code of Conduct' (SCoC) to provide guidance to our value chain partners. This document contains essential information about relevant laws, regulations, policies, and procedures, and outlines the expected behavioural and ethical standards. Additionally, Concord's Good Practices document encompasses sustainability information, greenhouse gas management, natural resource conservation, and waste management. Copies of these practices have been shared with all key KSM/intermediate vendors.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes. Concord realises the importance of avoiding and addressing conflict of interest among Board members to uphold transparency, integrity, and ethical conduct within the organisation. As a result, the Company has established a policy specifically addressing this issue.

The policy ensures that both the BoD and SMPs refrain from engaging in any business, relationship, or activity that could conflict with Concord's interests or tarnish its reputation. Any situation that presents a conflict between personal interests and those of the Company and its stakeholders' interests is strictly prohibited. In instances where transactions involving conflict of interest arise, approval is sought from all Board members except those with vested interests.

<https://www.concordbiotech.com/public/assets/pdf/Concord-Biotech-Limited-Code-of-Conduct-for-BoD-and-SMPs.pdf>



**PRINCIPLE 2**

**Businesses should provide goods and services in a manner that is sustainable and safe.**

**Essential Indicators**

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)	Details of improvements in environmental and social impacts
R&D	Nil	Nil	NA
Capex	0.49%	0.42%	Expenditure in ETP

2. Does the entity have procedures in place for sustainable sourcing (Yes/ No). If yes, what percentage of inputs were sourced sustainably?

Yes, Concord has procedures in place for sustainable sourcing. Most of our raw materials are agro-based compounds. The Company has established a due diligence system requiring suppliers to furnish certain details on their operations based on our in-house preliminary information questionnaire, which covers various ESG aspects. This ensures that our sourcing practices are in line with our long-term sustainability objectives. We carefully screen our suppliers and vendors based on our pre-defined criteria. These criteria take into account factors, such as their ability to recycle, repurpose, reprocess, or recover materials, their internal controls with respect to environmental and social aspects, their compliance with regulatory legislation, their safety provisions, and their overall business conduct.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Concord adheres to statutory waste management guidelines, ensuring that all types of waste are handled appropriately. HDPE bags are recycled to fill the ETP sludge and MEE salt, while surplus HDPE bags are sold to recyclers. E-waste is sent to registered recyclers, while hazardous waste is either reused, recycled or disposed of based on statutory guidelines for end-of-life disposal. Hazardous waste disposal involves selling to registered recyclers, sending for co-processing, or disposing of at TSDF sites. ETP sludge is dried in a paddle dryer, reducing its moisture content by 90% before disposal. Biomedical waste is directed to registered incineration sites. Our commitment to environmental stewardship extends beyond compliance, driving us to explore circular economy opportunities. We engage stakeholders to enhance environmental equity throughout our operations and value chain, aiming to reduce waste disposal and promote resource efficiency.



**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, Extended Producer Responsibility (EPR) is applicable to our activities. Our waste collection plan is aligned with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards.

### Leadership Indicators

**1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC code	Name of product/ service	% of total turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by an independent external agency (Yes/No)	Results communicated in the public domain (Yes/No) If yes, provide the weblink
21001	API		Manufacturing facility	No	No
21002	Formulation		Manufacturing facility	No	No

We have implemented a Life Cycle Assessment concept for our key products. This involves considering consecutive and interlinked stages of a product (or service) system, from raw material acquisition or generation from natural resources to final disposal.

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of the product/service	Description of the risk/concern	Action/taken
Nil	Nil	Nil

**3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

In the pharmaceutical industry, the percentage of recycled or reused input material in the total material used in production varies. Due to statutory requirements, 100% recycling may not be feasible, even though we have adequate facilities for solvent recovery.

Indicate input material	Recycled or reused input material to total material	
	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
	NA	

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2023-24 (Current financial year)			FY 2022-23 (Previous financial year)		
	Reused	Recycle	Safely disposed	Reused	Recycle	Safely disposed
Plastics (including packaging)	346.43	0	9.66	373.25	0	36.06
E-waste	0	0	0.47	0	0	0.35
Others - Bio-medical waste in MT	0	0	6.88	0	0	10.21
Others - construction and demolition waste in MT	0	0	0	0	0	0
Others - battery waste	0	0	0	0	0	0
Others - radioactive waste	0	0	0	0	0	0
Hazardous waste	0	0	0	0	0	0
Other non-hazardous waste	0	0	0	0	0	0
<b>Total</b>	<b>346.43</b>	<b>0</b>	<b>6.88</b>	<b>373.25</b>	<b>0</b>	<b>46.62</b>

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category
NA

Reclaimed products and their packaging materials as % of total products sold in the respective category
NA



**PRINCIPLE 3**

**Businesses should respect and promote the well-being of all employees, including those in their value chains.**

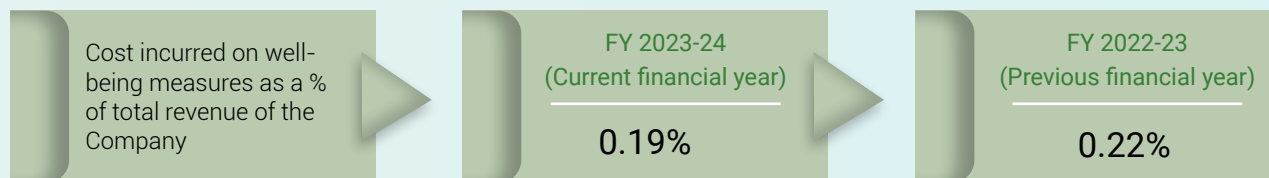
**Essential Indicators**
**1. a. Details of measures for the well-being of employees**

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1,288	0	0	1,288	100	0	0	0	0	0	0
Female	89	0	0	89	100	39	42	0	0	0	0
<b>Total</b>	<b>1,377</b>	<b>0</b>	<b>0</b>	<b>1,377</b>	<b>100</b>	<b>39</b>	<b>42</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other than permanent employees											
Male											
Female											
<b>Total</b>											

**b. Details of measures for the well-being of workers**

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male											
Female											
<b>Total</b>											
Other than permanent employees											
Male	1,011	0	0	1,011	100	0	0	0	0	0	0
Female	13	0	0	13	100	0	0	0	0	0	0
<b>Total</b>	<b>1,024</b>	<b>0</b>	<b>0</b>	<b>1,024</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –



## 2. Details of retirement benefits, for current FY and previous financial year

Benefits	FY 2023-24 (Current financial year)			FY 2022-23 (Previous financial year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with authority (Y/N/N.A.)
PF	99.86%	0.00%	Y	99.92%	0.00%	Y
Gratuity	99.06%	0.00%	Y	99.35%	0.00%	Y
ESI	0.01%	0.00%	Y	0.01%	0.00%	Y
Others – please specify	NA					

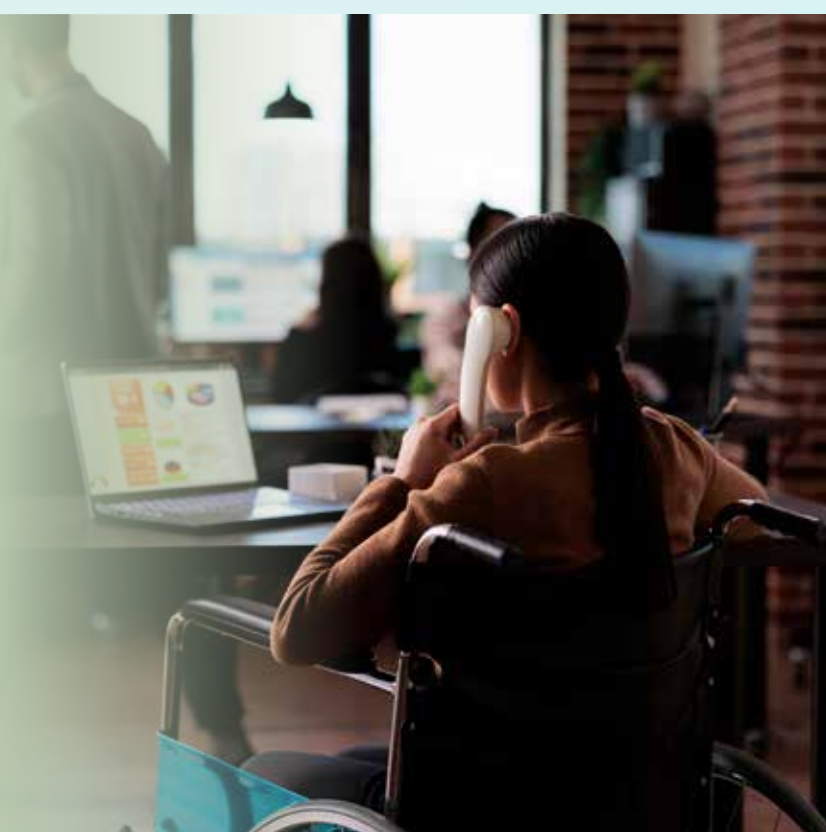
### 3. Accessibility of workplaces

**Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Concord actively works to improve the accessibility of its work environment for all employees. This includes installing ramps, elevators, and other necessary infrastructure in its manufacturing facilities, administration offices, and corporate headquarters to ensure easy access for individuals with disabilities.

### 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company ensures equal access to education, employment, leadership positions, and other opportunities for individuals of all genders. We are committed to non-discrimination based on gender, caste, or nationality, and Concord operates as an equal opportunity employer.



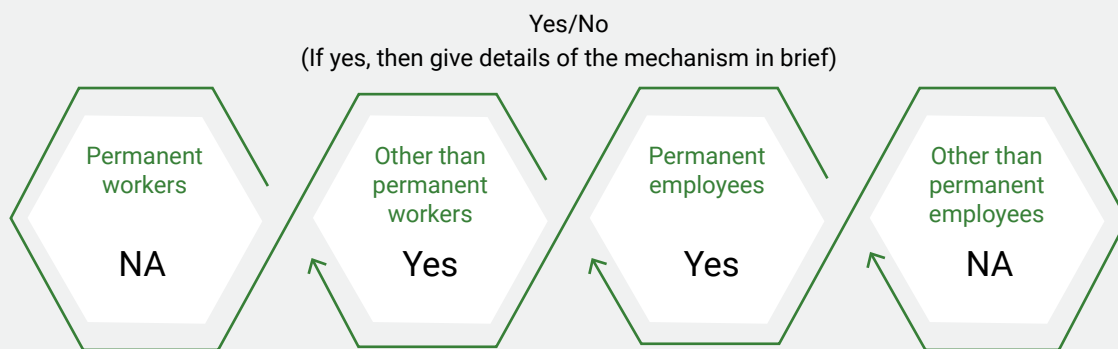


**5. Return to work and retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0.00	0.00	NA	
Female	0.00	0.00		
Total	0.00	0.00		

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

Yes. The Company has a Policy of Employees' Grievance Redressal Systems that allows an aggrieved employee to report any concerns to the Head of the Department seeking resolution. If the aggrieved party does not get a satisfactory resolution, the complaint can be forwarded to the HR Head, the Grievance Committee, and finally to the CEO for resolution.



**7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:**

Category	FY 2023-24 (Current financial year)			FY 2022-23 (Previous financial year)		
	Total employees/ workers in the respective category (A)	No. of employees/ workers in the respective category who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in the respective category (C)	No. of employees/ workers in the respective category who are part of association(s) or Union(D)	% (D/C)
Total permanent employees			NA			
Male						
Female						
Total permanent workers			NA			
Male						
Female						

## 8. Details of training given to employees and workers:

Category	FY 2023-24 (Current financial year)					FY 2022-23 (Previous financial year)				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	1,288	1,288	100%	1,288	100%	1,157	1,157	100%	1,011	87.38%
Female	89	89	100%	89	100%	77	77	100%	13	16.88%
<b>Total</b>	<b>1,377</b>	<b>1,377</b>	<b>100%</b>	<b>1,377</b>	<b>100%</b>	<b>1,234</b>	<b>1,234</b>	<b>100%</b>	<b>1,024</b>	<b>82.98%</b>
<b>Workers</b>										
Male	1,011	1,011	100%	0	0%	962	962	100%	0	0%
Female	13	13	100%	0	0%	13	13	100%	0	0%
<b>Total</b>	<b>1,024</b>	<b>1,024</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>975</b>	<b>975</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

## 9. Details of performance and career development reviews of employees and workers:

Note: For workers, a Government notification is released every 6 months based on which their allowances are revised twice a year.

Category	FY 2023-24 (Current financial year)			FY 2022-23 (Previous financial year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	1,288	1,288	100%	1,157	1,157	100%
Female	89	89	100%	77	77	100%
<b>Total</b>	<b>1,377</b>	<b>1,377</b>	<b>100%</b>	<b>1,234</b>	<b>1,234</b>	<b>100%</b>
<b>Workers</b>						
Male	1,011	0	0	962	0	0
Female	13	0	0	13	0	0
<b>Total</b>	<b>1,024</b>	<b>0</b>	<b>0</b>	<b>975</b>	<b>0</b>	<b>0</b>

## 10. Health and safety management system:

- a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Concord's EHS department spearheads various initiatives to foster a safety-centric culture in the workplace. The EHS department strives to have no negative impact on people, processes, or the environment. This is accomplished by creating a 360-degree EHS operating system across all business operations. The EHS team ensures compliance with applicable legal and regulatory obligations with regard to pollution control, worker and plant safety, as well as employee and contractor health. By systematically analysing and controlling risks, coupled with providing comprehensive training to both management and employees, we significantly reduce the occurrence of accidents and occupational health hazards. Regular training sessions not only enhance operational excellence and productivity but also uphold stringent compliance standards pertaining to quality and safety. The Company's API facilities in Dholka and Limbasi, Gujarat, are ISO 14001 and ISO 45001 certified. The system has 100% coverage. All internal and external stakeholders of the manufacturing sites, including personnel, suppliers, and contractors, are covered as part of our health and safety system.

**b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The Company has established a comprehensive risk management policy to proactively address potential threats. Our risk management process is carefully crafted to shield the organisation from various risks by taking appropriate and timely measures. It is structured to anticipate, assess, and mitigate risks effectively, thereby minimising their impact on our business operations. Concord lists all potential risks that can impact its operations and integrates them into its management processes to ensure that they are given due consideration during decision-making procedures.

For all workplace hazards, we conduct routine process safety risk assessments. It has the requisite permits in place for undertaking both routine and non-routine work-related hazards. Integrated process safety management systems ensure all existing processes and new developments are assessed for risks. Process safety studies, such as process hazard analysis, equipment safety studies through techniques, including HAZOP, HIRA, EAI, PSSR, scenario analysis, and risk assessment matrices are conducted by cross-functional teams. Detailed risk-based assessments are conducted regularly, along with extensive audits to evaluate Concord's health and safety performance at the site level.

<https://www.concordbiotech.com/public/assets/pdf/Concord-Biotech-Limited-Risk-Management-Policy.pdf>

**c) Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

Yes. At Concord's facilities, protocols for near-miss reporting, unsafe acts, conditions and closure tracking are in place. The same has been reviewed by management in the management review meeting. Some key initiatives taken by us to ensure work-related risk management include:

- Employees are encouraged to raise safety concerns through various channels, including periodic departmental-level safety meetings. We promptly develop action plans with strict timelines and assign individual responsibilities, based on the concerns raised in the meetings
- Following standard operating procedure on 'Incident Reporting and Investigation', incidents are immediately reported to the relevant supervisors for thorough analysis by a multidisciplinary team
- Manufacturing plant employs a Hazard Identification and Risk Assessment (HIRA) system to continuously identify and assess workplace hazards. Regular safety committee meetings, held in accordance with factory regulations, provide a collaborative platform for management, employees, and contractors to address health and safety issues collectively

**d) Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)**

Yes. We offer our employees and workers access to non-occupational medical and healthcare services, which include free health check-ups.

**11. Details of safety related incidents, in the following format:**

Safety incident/number	Category	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
Lost Time Injury Frequency Rate (LTIFR) (per one Mn person-hours worked)	Employees	Nil	Nil
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High-consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

## 12. Describe the measures taken by the entity to ensure a safe and healthy work place.

In Concord's commitment to fostering a safe and healthy workplace, we have implemented a range of initiatives. These include:

- Ensuring compliance with applicable legal and regulatory obligations with regard to pollution control, workers, and plant safety, as well as employee and contractor health
- Conducting regular risk assessments to proactively identify and address potential hazards
- Incorporating safety policies and procedures to guide employees, ongoing training sessions on safety protocols and emergency procedures, and the provision of necessary safety equipment and facilities
- Verifying fire protection and prevention systems are in place at all manufacturing facilities
- ISO 14001 and ISO 45001-certified Dholka and Limbasi production facilities
- Ensuring regular inspections by Indian regulatory bodies as well as those by international regulatory bodies, such as the USFDA, EUGMP, PMDA of Japan, ANVISA and MFDS of Korea

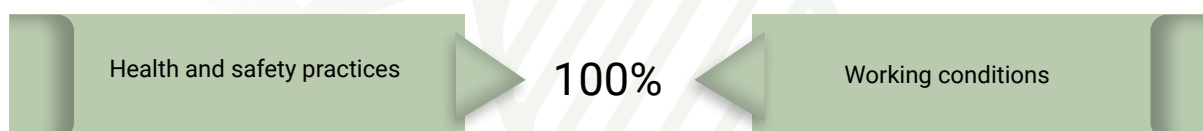
Through these efforts, Concord strives to ensure a secure and supportive environment for all our employees.

## 13. Number of complaints on the following made by employees and workers:

Category	FY 2023-24 (Current financial year)			FY 2022-23 (Previous financial year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & safety	Nil	Nil	Nil	Nil	Nil	Nil

## 14. Assessments for the year:

% of your plants and offices that were assessed  
(by entity or statutory authorities or third parties)



All our manufacturing plants are audited by the following third parties:

1. Medical office from the District Industrial Safety and Health Department
2. BVQI for ISO for API facilities

## 15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

NA



## Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of the death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, for both employees and workers.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Concord ensures that all necessary statutory dues related to its transactions with value chain partners are deducted and deposited as per regulations. These procedures are regularly reviewed through audits. Additionally, we diligently gather certificates and documentation from our contractors concerning statutory dues like PF for contractual employees and workers, among others. Moreover, the Company holds its value chain partners to high ethical standards, expecting integrity in all business transactions.

3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No.

Concord offers regular skill-upgrading programmes to its employees during their tenure. These training initiatives are tailored to meet the specific needs of different job roles and functional areas, empowering employees to pursue career opportunities even after retirement, utilising the skills they have acquired.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	NA
Working conditions	

Note: When the Company works on the process of vendor development, all parameters of the entity's health and safety and working condition practices are reviewed.

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

NA.

Vendor qualification practices, along with physical and virtual audits, are integral components of the quality assurance department for our key raw material supplier.

## PRINCIPLE 4

**Businesses should respect the interests of and be responsive to all their stakeholders.**

### Essential Indicators

#### 1. Describe the processes for identifying key stakeholder groups of the entity.

A systematic approach was established for stakeholder consultation across our organisation through questionnaires and interviews. Internal stakeholders, notably senior management and functional heads, outlined the sustainability priorities of Concord. External stakeholder consultations were also conducted to gauge the effectiveness of our sustainability initiatives. As a next step, sustainability reports of industry peers were reviewed, and government regulations were analysed to consider the perspectives of customers and regulators. The data obtained was thus combined based on the relative importance of each stakeholder. Stakeholders were prioritised based on how each stakeholder could impact the Company's performance vis-à-vis how the Company's performance could impact the stakeholder.

#### 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as vulnerable & marginalised Group (Yes/No)	Channels of communication (E-mail, SMS, newspaper, pamphlets, advertisement, community meetings, notice board, website), other	Frequency of engagement (Annually/half yearly/quarterly/others – please specify)	Purpose and scope of engagement, including key topics and concerns raised during such engagement
Healthcare professionals	No	One-on-one meetings discussing recent advancements and practices in scientific research concerning emerging therapies.	Half yearly and need-based	Concord engages with healthcare professionals to update them regarding its products and innovations.  Key topics of concern are product quality and availability.
Customers	No	Customer surveys, review meetings and calls to gain feedback on trends, e-mails, physical and virtual meetings.	Half yearly and need-based	Ensuring timely supply of products and services, addressing customer queries and grievances, taking feedback, understanding customer requirements, and updating customers about its offerings.  Key topics of concern are access, affordability, availability, and quality of products, as well as consumer grievances.

Stakeholder group	Whether identified as vulnerable & marginalised Group (Yes/No)	Channels of communication (E-mail, SMS, newspaper, pamphlets, advertisement, community meetings, notice board, website), other	Frequency of engagement (Annually/half yearly/quarterly/others – please specify)	Purpose and scope of engagement, including key topics and concerns raised during such engagement
Suppliers	No	Scheduled meetings, weekly e-mail briefings, regular phone calls, and e-mails.	Half yearly and need-based	Ensuring smooth business operations, timely material and service availability, quality and quantity of supplies, and gauging any supply chain issues.  Key topics of concern include the pricing of materials and maintaining long-term contracts.
Regulators	No	One-on-one meetings, periodical regulatory filings, periodic audits, e-mails, and letters.	Periodic and need-based	Compliance, guidelines, and technical guidance.  Key topics of concern include changes in laws and regulations, regulatory compliance, and timely disclosures.
NGOs/ communities	Yes	Direct engagement at facility and project sites, dedicated CSR-team-led engagement, visits and camps.	Continuous and need-based	CSR initiatives, enhancing environmental sustainability, and promoting science education among students.  Key topics of concern include CSR activities related to livelihood development and access to education and healthcare.
Investors and leadership	No	Annual reports and quarterly results, email, Stock Exchange intimations, analysts meet/conference calls, Annual General Meeting, media releases, performance and business update calls, investor meetings, and newspaper advertisements.	Quarterly, annual and need-based	Upholding business performance, strategising future growth plans, addressing shareholder queries and suggestions, and understanding shareholder expectations.  Key topics of concern include business profitability and growth, Company reputation, and corporate governance.
Employees	No	Review meets, festive events, welfare events, outbound training programmes, e-mails, website, notice boards, meetings, one-on-one discussions, and townhalls.	Ongoing and need-based	Employee well-being, collecting feedback, training and career growth.  Key topics of concern are employee welfare, career growth and capacity building.



## Leadership Indicators

- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The relevant business and functional heads conduct consultations with respective stakeholders. Any feedback gathered from these consultations is then communicated to senior management and/or the Board, as needed.

- 2. Whether stakeholder consultation is used to support identifying and managing environmental and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, Concord has conducted an extensive materiality assessment utilising data and insights provided by relevant stakeholders. This assessment comprehensively evaluated environmental, social, governance, and economic issues crucial for the long-term viability and sustainability of the organisation. Through this process, we identified and prioritised key issues vital to the sustainability of our business operations and established goals to achieve sustainability targets, thereby fostering value creation.

- 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.**

We prioritise the welfare of communities neighbouring our manufacturing facilities, acknowledging them as a vulnerable/marginalised stakeholder group. To address their needs, we have undertaken various initiatives, including providing healthcare services, funding education and scholarships, promoting sports activities, and contributing to Army welfare initiatives.





**PRINCIPLE 5**

**Businesses should provide goods and services in a manner that is sustainable and safe.**

**Essential Indicators**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity in the following format

Category	FY 2023-24 (Current financial year)			FY 2022-23 (Previous financial year)		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	1,377	1,377	100%	1,234	1,234	100%
Other than permanent	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total employees</b>	<b>1,377</b>	<b>1,377</b>	<b>100%</b>	<b>1,234</b>	<b>1,234</b>	<b>100%</b>
<b>Workers</b>						
Permanent	Nil	Nil	Nil	Nil	Nil	Nil
Other than permanent	1,024	Nil	Nil	975	Nil	Nil
<b>Total workers</b>	<b>1,024</b>	<b>Nil</b>	<b>Nil</b>	<b>975</b>	<b>Nil</b>	<b>Nil</b>

2. Details of minimum wages paid to employees and workers in the following format:

Category	FY 2023-24 (Current financial year)					FY 2022-23 (Previous financial year)				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>										
Male	1,288	Nil	Nil	1,288	100%	1,157	Nil	Nil	1,157	100%
Female	89	Nil	Nil	89	100%	77	Nil	Nil	77	100%
<b>Other than permanent</b>										
Male	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Workers</b>										
<b>Permanent</b>										
Male	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Other than permanent</b>										
Male	1,011	Nil	Nil	1,011	100%	962	Nil	Nil	962	100%
Female	13	Nil	Nil	13	100%	13	Nil	Nil	13	100%

### 3. Details of remuneration/salary/wages, in the following format:

#### a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/salary/wages of the respective category	Number	Median remuneration/salary/wages of the respective category
Board of Directors (BoD)	2	7,56,00,000	1	-
Key Managerial Personnel	2	49,82,586	-	-
Employees other than BoD and KMP	1,284	6,69,705	89	3,73,288
Workers	-	-	-	-
Contractual workers	1,011	1,94,425	13	1,94,425

#### b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
Gross wages paid to females as % of total wages	1.27%	1.33%

#### 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Concord recognises the importance of preventing human rights violations. To foster a positive and safe work environment, we have a Prevention of Sexual Harassment (POSH) policy, grievance redressal mechanism, and Whistle Blower Policy. Employees and contractors are encouraged to raise human rights concerns in Safety & Health committee meetings. Site HR and EHS teams, under the guidance of the site head, are entrusted with addressing these concerns, with matters escalated to the corporate level when necessary. Comprehensive details are then deliberated upon by the relevant governance committees.

#### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Our POSH and Whistle Blower policies aid the employees in reporting any grievances. The grievances can also be reported directly through e-mails to the human resources team.

**6. Number of complaints on the following made by employees and workers:**

	FY 2023-24 (Current financial year)			FY 2022-23 (Previous financial year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	Nil	Nil	NA	Nil	Nil	NA
Discrimination at workplace	Nil	Nil	NA	Nil	Nil	NA
Child labour	Nil	Nil	NA	Nil	Nil	NA
Forced labour/involuntary labour	Nil	Nil	NA	Nil	Nil	NA
Wages	Nil	Nil	NA	Nil	Nil	NA
Other human rights related issues	Nil	Nil	NA	Nil	Nil	NA

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
Total complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees/workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

Our Whistle Blower Policy safeguards whistle blowers from adverse consequences in discrimination and harassment cases, ensuring protection for those making protected disclosures. It prohibits harassment or retaliation against whistle blowers who disclose in good faith and outlines disciplinary actions, including termination, for retaliatory behaviour by supervisors or managers who engage in retaliation against whistle blowers. The Policy underscores confidentiality, allowing whistle blowers to make protected disclosures anonymously, ensuring fair treatment and thorough investigation of all complaints.

Link to the policy: <https://www.concordbiotech.com/public/assets/pdf/Concord-Biotech-Limited-Whistle-Blower-Policy.pdf>

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes.

### 10. Assessments for the year:



This assessment is conducted internally and through a third party during EcoVadis certification assessments.

### 11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

NA

### Leadership Indicators

#### 1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

NA

#### 2. Details of the scope and coverage of any Human rights due-diligence conducted.

None

#### 3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Concord takes the requisite steps to create a better and more accessible work space for its people. Our manufacturing facilities, administration offices, and corporate headquarters offices have ramps, elevators, and other infrastructure, that provides easy access to differently abled individuals.

#### 4. Details on assessment of value chain partners:

% of value chain partners (by value of business done with such partners) that were assessed	
Sexual harassment	NA
Discrimination at workplace	
Child labour	
Forced labour/involuntary labour	
Wages	
Others – Please specify	

Note: When the Company works on the process of vendor development, all parameters of the entity's human rights practices are reviewed.

#### 5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

NA



**PRINCIPLE 6**

**Businesses should respect and make efforts to protect and restore the environment.**

**Essential Indicators**

1. Details of total energy consumption (in joules or multiples) and energy intensity in the following format:

Parameter	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
<b>From renewable sources (in GJ)</b>		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
<b>Total energy consumed from renewable sources (A+B+C)</b>	0	0
<b>From non-renewable sources (in GJ)</b>		
Total electricity consumption (D)	2,12,048.38	1,97,539.48
Total fuel consumption (E)	2,80,971.46	2,73,338.18
Energy consumption through other sources (F)	-	-
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	493019.84	470877.66
<b>Total energy consumed (A+B+C+D+E+F)</b>	493019.84	470877.66
Energy intensity per rupee of turnover (Total energy consumption/revenue from operations)	0.48*10 <sup>-3</sup>	0.55*10 <sup>-3</sup>
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/revenue from operations adjusted for PPP)	0.13*10 <sup>-3</sup>	0.015*10 <sup>-3</sup>
Energy intensity in terms of physical output	205.34	213.16
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency.:

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, the PAT Scheme is not applicable to Concord, as it does not fall under energy-intensive industries.

3. Provide details of the following disclosures related to water in the following format:

Parameter	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	0	0
(ii) Groundwater	3,57,436.5	3,13,812.5
(iii) Third party water	0	0
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>3,57,436.5</b>	<b>3,13,812.5</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>3,57,436.5</b>	<b>3,13,812.5</b>
<b>Water intensity per rupee of turnover (Water consumed/revenue from operations)</b>	<b>0.35*10<sup>-4</sup></b>	<b>0.37*10<sup>-4</sup></b>
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption/revenue from operations adjusted for PPP)	<b>0.10*10<sup>-4</sup></b>	<b>0.10*10<sup>-4</sup></b>
<b>Water intensity in terms of physical output</b>	<b>148.87</b>	<b>142.06</b>
<b>Water intensity (optional) – the relevant metric may be selected by the entity</b>	<b>NA</b>	<b>NA</b>

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency.

Yes, according to Notification S.O. 3289 (E), the Ministry of Jal Shakti has issued guidelines to regulate groundwater extraction in India. Moreover, our Industry Unit 1 and Unit 3 undergo audits.

4. Provide the following details related to water discharged:

Parameter	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
<b>(i) To surface water</b>		
No treatment	0	0
With treatment – please specify level of treatment	0	0
<b>(ii) To groundwater</b>		
No treatment	0	0
With treatment – please specify level of treatment	0	0
<b>(iii) To seawater</b>		
No treatment	0	0
With treatment – please specify level of treatment	0	0
<b>(iv) Sent to third-parties</b>		
No treatment	0	0
With treatment – please specify level of treatment	0	0

Parameter	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
(v) Others	Effluent treats in ETP, RO, MEE, and ATFD after achieving norms are sent to reuse for gardening, utility and chemical preparation in ETP.	Effluent treats in ETP, RO, MEE, and ATFD after achieving norms are sent to reuse for gardening, utility and chemical preparation in ETP.
No treatment	0	0
With treatment – please specify level of treatment	1,91,933	1,81,193
<b>Total water discharged (in kilolitres)</b>	<b>1,91,933</b>	<b>1,81,193</b>

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

**5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes, all of Concord's facilities have Effluent Treatment Plants (ETPs) with the aim of Zero Liquid Discharge. Effluents and wastewater are discharged mainly from washes, utility blowdowns, toilets and canteens. The effluents generated are treated in state-of-the-art facilities. Effluent treats in ETP, RO, MEE, and ATFD after achieving norms are sent to be reused for gardening, utility and chemical preparation in ETP. Through our innovative practices, such as ZLD in effluent treatment, we have reduced 90% of the sludge volume in our dewatering system. Through this, we aim to play a crucial role in shaping a world with reduced environmental impact, ensuring a better tomorrow for generations to come.

In addition to this, by implementing Concord's advanced treatment methods, we contribute to the improvement of water quality. Furthermore, our efforts lead to a reduction in chemical oxygen demand (COD) levels, reducing the freshwater requirement, which increases the availability of cleaner water for everyone.

**6. Please provide details of air emissions (other than GHG emissions) by the entity in the following format**

Parameter	Please specify unit	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
NOx	Kg/year	4,804.04	4,194.72
SOx	Kg/year	7,617.50	5,803.21
Particulate matter (PM)	Kg/year	6,302.76	4,634.49
Persistent organic pollutants (POP)	-	0	0
Volatile organic compounds (VOC)	-	0	0
Hazardous air pollutants (HAP)	-	0	0
Others – please specify	-	NA	NA

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency.

Yes, an independent assessment has been carried out by a NABL-approved external agency, **Excel Envirotech**.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & their intensity in the following format:

Parameter	Please specify unit	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	14,340.18	13,460.58
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	42,409.68	39,507.90
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions/revenue from operations)	NA	6*10 <sup>-6</sup>	6*10 <sup>-6</sup>
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	NA	2*10 <sup>-6</sup>	2*10 <sup>-6</sup>
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>	NA	23.64	23.98
<b>Total Scope 1 and Scope 2 emission intensity (optional)</b> – the relevant metric may be selected by the entity	NA	NA	NA

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes, we have several initiatives in place to reduce our GHG emissions

- Switching to natural gas to produce steam, in place of using furnace oil
- Implementing energy efficient boilers to reduce fuel consumption
- Implementing measures to improve transportation efficiency can reduce emissions from vehicles and logistics operations. This may involve optimising delivery routes, promoting carpooling or use of public transportation for employees
- Implementing sustainable manufacturing practices such as waste reduction, recycling, and using agricultural materials and petrochemicals can help lower GHG emissions associated with production processes
- Conducting tree plantation drives on a regular basis to offset GHG emissions generated through the Company's facilities

Some examples for energy efficient measures adopted by Concord include:

- Installation of energy efficient centrifugal air compressors and water chillers
- Implementation of LED lighting to replace fluorescent lamps
- Installation of a waste steam recovery system
- Installation of requirement-based insulation and smart thermostats
- Upgrading HVAC systems, implementing energy management systems, upgrading windows, and incorporating energy efficient design principles all contribute to lowering energy consumption and emissions in buildings



9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
Total waste generated (in metric tonnes)		
Plastic waste (A)	408.21	357.66
E-waste (B)	0.35	0.47
Bio-medical waste (C)	10.21	6.88
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other hazardous waste. Please specify, if any. (G)		
ETP sludge & MEE salt/35.3 IN MT	2,283.71	2,980.61
Spent solvent/28.6 IN MT	686.32	698.93
Distillation residue/20.3 IN MT	233.86	203.07
Spent carbon/28.2 IN MT	148.79	108.14
Other non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) - <b>Used oil in metric tonne</b>	4.53	3.56
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>3,775.98</b>	<b>4359.32</b>
<b>Waste intensity per rupee of turnover</b> (Total waste generated/revenue from operations)	0.37*10 <sup>-6</sup>	0.51*10 <sup>-6</sup>
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/revenue from operations adjusted for PPP)	0.10*10 <sup>-6</sup>	0.14*10 <sup>-6</sup>
<b>Waste intensity in terms of physical output</b>	1.57	1.97
<b>Waste intensity (optional) – the relevant metric may be selected by the entity</b>	NA	NA
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled (in MT)	36.06	9.66
(ii) Re-used (in MT)	373.25	346.43
(iii) Other recovery operations	-	-
<b>Total</b>	<b>409.31</b>	<b>356.09</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	10.21	6.88
(ii) Landfilling	2,283.71	2,980.62
(iii) Other disposal operations	920.18	902
<b>Total</b>	<b>3214.10</b>	<b>3889.50</b>

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency.

*The facilities undergo an annual audit in compliance with the Hon'ble High Court order dated 20<sup>th</sup> December 1996, for the Environmental Audit Scheme. The scheme was subsequently modified with significant changes outlined in Officer Order No. GPCB/EAS-C-28/301928 dated 23<sup>rd</sup> January 2015.*

**10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by the Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

- Minimising the use of hazardous or toxic chemicals and raw materials compared to chemical synthesis, our API production process via fermentation results in less hazardous waste generation
- Ensuring compliance with Indian environmental laws and regulations, such as the Environment Protection Act, 1986, Bio-Medical Waste Management Rules, 2016, and Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, is a priority for Concord
- Seeking opportunities to promote circular resource use and reduce waste disposal in the communities where we operate is a key focus for the organisation. Concord is guided by the principles of reduce, reuse, and recycle as an API and formulation manufacturing company
- Ensuring environmentally responsible waste management is a top priority for the organisation. Concord's waste management approach is governed by our EHS policy, which outlines detailed procedures for this purpose
- Establishing standard operating procedures for handling various waste categories, including monitoring and control procedures for categorisation, segregation, minimisation, safe handling, transport, and disposal. The procedures ensure that waste is appropriately handled and can be sent to Treatment, Storage, and Disposal Facilities (TSDF), Common Hazardous Waste Incineration Facilities (CHWIF), or registered recycling centres
- Monitoring waste generation and management, our monthly reports track and categorise the waste. They guarantee appropriate segregation, secure storage, and safe disposal through authorised waste handlers and recyclers, all in compliance with applicable regulations
- Featuring physio-chemical, biological, and advanced treatment facilities, the organisation has invested in a comprehensive effluent treatment plant. This investment ensures the safe disposal of effluents released from processes
- Utilising the treated effluent for gardening purposes, it is discharged within the factory premises

**11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:**

Locations of operations/  
offices

Type of  
operations

Whether the conditions of environmental approval/clearance  
are being complied with? (Y/N)  
If no, the reasons thereof and corrective action taken, if any.

No. Concord's operations and offices are not situated in or around ecologically sensitive areas such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, and coastal regulation zones, among others, where environmental approvals or clearances are necessary, as per the environment impact assessment study report.

**12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws in the current financial year**

Name and brief details of project	EIA notification no.	Date	Whether conducted by an independent external agency (Yes/No)	Results communicated in the public domain (Yes/No)	Relevant weblink
Unit 1 Expansion Proposal No. SIA/GJ/IND2/165993/2020 Project category- 5(f)-API-B2	EIA Notification 2006, S.O. 1223 (E) dated 27.03.2020	EC No. SEIAA/GUJ/EC/5(f)/712/2021 01.06.2021	Yes, M/s San Envirotech Pvt. Ltd., Ahmedabad	Yes, in newspapers.	Unavailable
Unit 3 Expansion Proposal No. SIA/GJ/IND3/238883/2021 Project category- 5(f)-API-B2	EIA Notification 2006, S.O. 1223 (E) dated 27.03.2020	EC No. SEIAA/GUJ/EC/5(f)/870/2022 05.04.2022	Yes, M/s San Envirotech Pvt. Ltd., Ahmedabad	Yes, in newspapers.	Unavailable

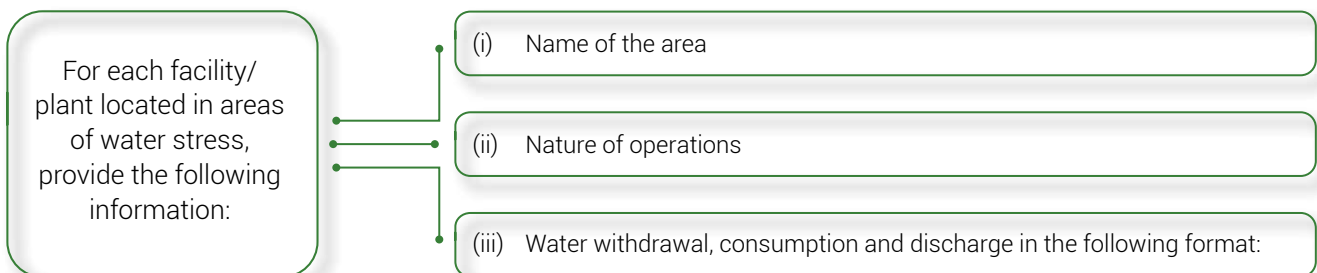
**13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Yes. Concord adheres to all relevant environmental laws, regulations, and guidelines in India.

Specify the law/regulation/guidelines which were not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as Pollution Control Boards or by courts	Corrective action taken, if any
Nil			

**Leadership Indicators**

**1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**



Not applicable, as Concord's sites are not located in water-stressed areas.

Parameter	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water		NA
(ii) Groundwater		NA
(iii) Third-party water		NA
(iv) Seawater/desalinated water		NA
(v) Others		NA
<b>Total volume of water withdrawal (in kilolitres)</b>		NA
<b>Total volume of water consumption (in kilolitres)</b>		NA
<b>Water intensity per rupee of turnover (Water consumed/turnover)</b>		NA
<b>Water intensity (optional) – the entity may select the relevant metric</b>		NA
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
<b>(i) Into surface water</b>		NA
No treatment		NA
With treatment – please specify the level of treatment		NA
<b>(ii) Into groundwater</b>		NA
No treatment		NA
With treatment – please specify the level of treatment		NA
<b>(iii) Into seawater</b>		NA
No treatment		NA
With treatment – please specify the level of treatment		NA
<b>(iv) Sent to third-parties</b>		NA
No treatment		NA
With treatment – please specify the level of treatment		NA
<b>(v) Others</b>		NA
No treatment		NA
With treatment – please specify the level of treatment		NA
<b>Total water discharged (in kilolitres)</b>		NA

Note: Indicate if any independent assessment/evaluation/assurance carried out by an external agency? (Y/N) If yes, the name of the external agency.

As per Notification S.O. 3289 (E) from the Ministry of Jal Shakti, guidelines have been issued to manage and oversee groundwater extraction in India. The Company's facilities are situated in areas where water stress is not a concern.



2. Please provide details of total Scope 3 emissions & their intensity in the following format:

During the reporting period, we have not calculated Scope 3 emissions.

Parameter	Unit	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	NA	NA
Total Scope 3 emissions per rupee of turnover	NA	NA	NA
Total Scope 3 emission intensity (optional) – the entity may select the relevant metric	NA	NA	NA

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency.

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

NA

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Initiative undertaken	Details of the initiative (weblink, if any, may be provided alongwith summary)	Outcome of the initiative
Zero liquid discharge	Concord's manufacturing facilities have ZLD where the treated effluents are recycled.	<ul style="list-style-type: none"> <li>Reduction in water footprints</li> <li>Judicious use of the available water resources</li> </ul>
Use of energy efficient appliances	The Company's facilities use energy efficient LED lights, centrifugal air, compressor water chillers and motors.	<ul style="list-style-type: none"> <li>Reduction in electricity bills, thus reducing GHG emissions</li> </ul>

**5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ weblink.**

Concord's disaster management plan encompasses preparedness for both natural calamities like earthquakes and floods as well as man-made incidents such as bomb threats, with comprehensive mitigation strategies in place. Responsibility for implementing these measures is designated to the site controller, incident controller, central utility in charge, and shift engineer, ensuring a structured approach. In the event of a bomb threat, the site controller will activate control measures as outlined in the onsite emergency plan. Additionally, our Information Technology (IT) team has established a disaster recovery capability, enabling prompt restoration of critical systems and IT infrastructure during emergencies to minimise business disruption.

Additionally, routine inspections are carried out across all of Concord's manufacturing facilities to anticipate any disruptions caused by faulty or malfunctioning systems. Our employees undergo regular training sessions to acquaint themselves with the established protocols in case of emergencies. We persistently strive to upgrade our systems to ensure business continuity. Furthermore, the Company has implemented enterprise resource planning to streamline material management, sales, and distribution processes for improved efficiency.

**6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

During the reporting periods, no significant adverse environmental impact incidents occurred within the supply chain.

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Concord strongly emphasises all vendors adhering to socially responsible standards such as contract labour, non-discrimination, equal rights, working hours, and environmental factors. Additionally, the Company assesses and chooses vendors who use reliable, environmentally friendly procedures, ethical manufacturing methods, and sustainable production techniques. Moreover, to help suppliers improve their performance on these measures, we prioritise the E&S parts of the supply chain.



**PRINCIPLE 7**

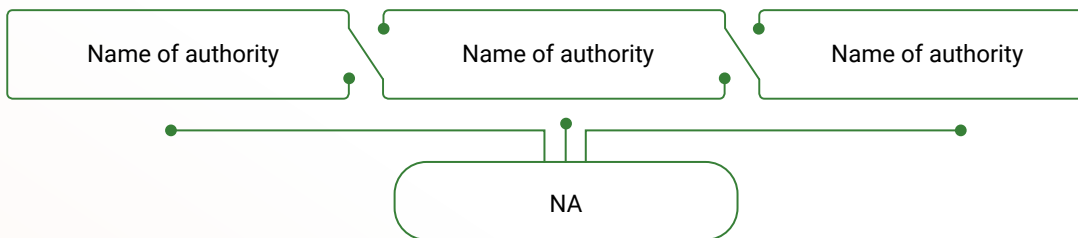
**Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.**

**Essential Indicators**

1. a. Number of affiliations with trade and industry chambers/associations.  
5
- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/associations (State/National)
Indian Drug Manufacturers Association	National
Confederation of Indian Industries	National
Gujarat Chamber of Commerce	State
Pharmaceuticals Export Promotion council of India	National
Federation of Indian Export Organisation	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities



**Leadership Indicators**

1. Details of public policy positions advocated by the entity

Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of review by board (Annually/half yearly/quarterly/ others – please specify)	Weblink, if available
Nil				

**PRINCIPLE 8**
**Businesses should promote inclusive growth and equitable development.**
**Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of the project	SIA notification no.	Date of notification	Whether conducted by an independent external agency (Yes/No)	Results communicated in the public domain (Yes/No)	Relevant weblink
Unit 1 Expansion Proposal No. SIA/GJ/IND2/165993/2020 Project category- 5(f)-API-B2	EIA Notification 2006, S.O. 1223 (E) dated 27.03.2020	27.03.2020	Yes, M/s San Envirotech Pvt. Ltd, Ahmedabad	Yes, in newspapers.	No
Unit 3 Expansion Proposal No. SIA/GJ/IND3/238883/2021 Project category- 5(f)-API-B2	EIA Notification 2006, S.O. 1223 (E) dated 27.03.2020	27.03.2020	Yes, M/s San Envirotech Pvt. Ltd, Ahmedabad	Yes, in newspapers.	No

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format

Name of the project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR)
Nil					

3. Describe the mechanisms to receive and redress grievances of the community.

Concord's Code of Conduct provides mechanisms to raise concerns regarding misconduct. This is accessible on the Company's website and outlines procedures for resolving grievances.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
Directly sourced from MSMEs/small producers	32.16%	33.63%
Sourced directly from within India	60.26%	68.41%



5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24 (Current financial year)	FY 2022-23 (Previous financial year)
Rural	16%	14%
Semi-Urban	Nil	Nil
Urban	84%	86%
Metropolitan	Nil	Nil

### Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above)

Details of negative social impact identified	Corrective action taken
NA	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies

Sr. no.	State	Aspirational district	Amount spent (in INR)
NA			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No) - No

(b) From which marginalised/vulnerable groups do you procure? - NA

(c) What percentage of total procurement (by value) does it constitute? - NA

The Company is committed to offering equal opportunities for all vendors and suppliers, ensuring fairness in the selection process guided by the supplier code of conduct. We actively promote and aim to source the majority of our raw materials locally. While our supplier selection criteria do not explicitly prioritise vulnerable or marginalised groups, we are pleased to report procurement from MSME suppliers during the year.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge

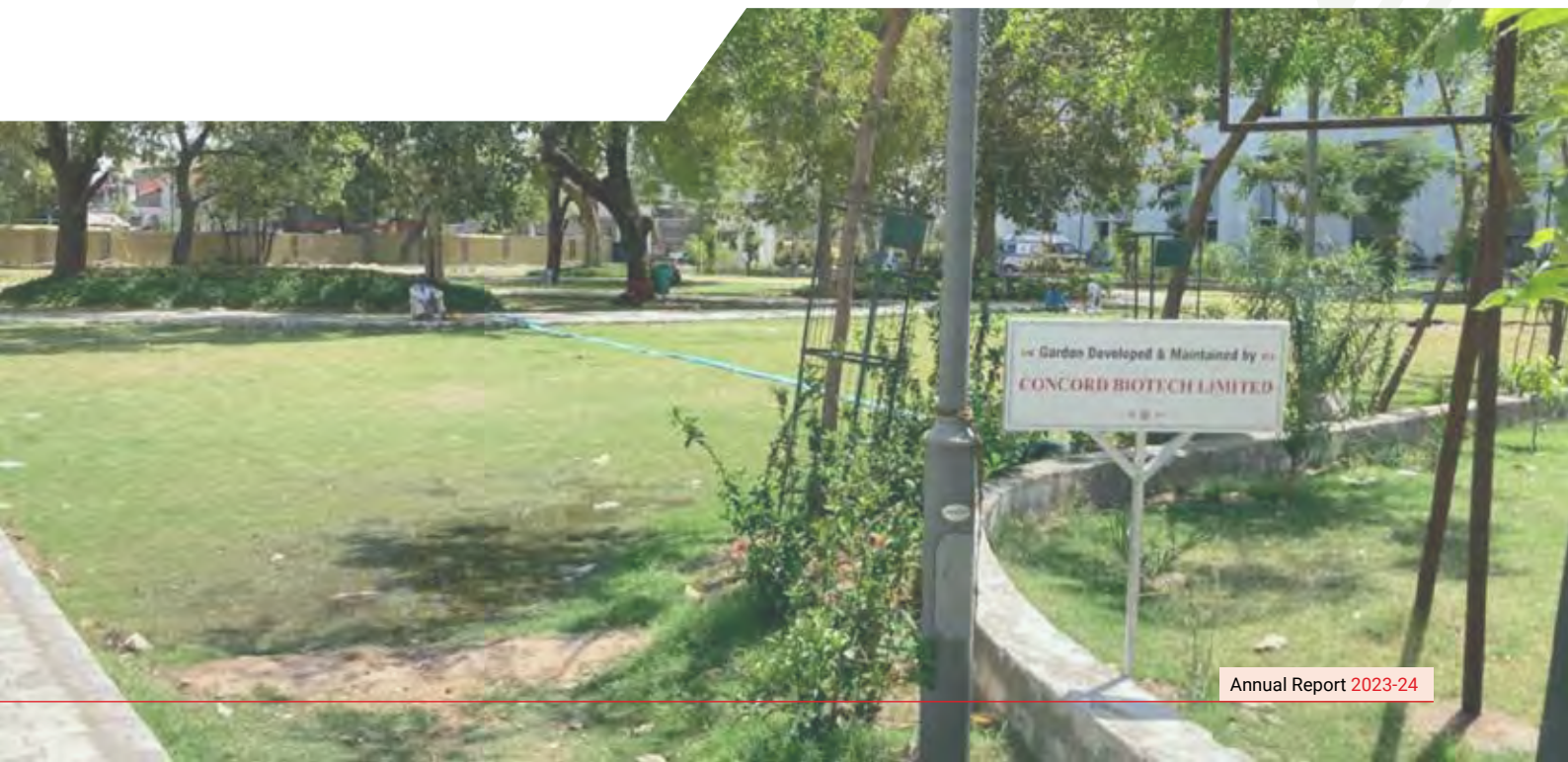
Intellectual property based on traditional knowledge	Owned/acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
Nil			

5. Details of corrective actions taken or underway based on any adverse order in intellectual property related disputes wherein traditional knowledge is used.

Name of authority	Brief of the case	Corrective action taken
Nil		

6. Details of beneficiaries of CSR Projects –

CSR project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalised groups
Gyanjyot	6,000	100%
3 STEM Learning Labs	500	100%
Scholarship Programme	100	100%
Mobile Medical Units – Implemented in 30 Villages in Dholka, Valthera and Limbasi Region	35,000	100%
Vision Centres	10,000	100%
Morning Nutrition Programme – Incorporated in 10 Municipal Schools in Dholka	2,500	100%
Sports Scholarship	1	100%



**PRINCIPLE 9**

**Businesses should engage with and provide value to their consumers in a responsible manner.**

**Essential Indicators**
**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Concord has implemented a robust Product Quality Management System to promptly address consumer complaints regarding product quality. Consumers can lodge complaints through various channels, including written, electronic, or oral communication via our landline number, e-mail at: sales@concordbiotech.com, or by post. The complaints may pertain to issues related to quality, identity, reliability, safety, and/or efficacy of a product post-distribution. Our policy is aligned with health authority guidelines and compliance requirements to ensure timely resolution of complaints and optimal customer satisfaction. Additionally, Concord's global pharmacovigilance policy, supported by a Product Safety Committee, underscores our commitment to patient safety.

**2. Turnover of products and/services as a percentage of turnover from all products/services that carry information about**

As a percentage of total turnover

Environmental and social parameters relevant to the product

NA

Safe and responsible usage

100%

Recycling and/or safe disposal

NA

**3. Number of consumer complaints in respect of the following**

	FY 2023-24			FY 2022-23		
	(Current financial year)		Remarks	(Previous financial year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	NA	Nil	Nil	NA
Advertising	Nil	Nil	NA	Nil	Nil	NA
Cybersecurity	Nil	Nil	NA	Nil	Nil	NA
Delivery of essential services	Nil	Nil	NA	Nil	Nil	NA
Restrictive trade practices	Nil	Nil	NA	Nil	Nil	NA
Unfair trade practices	Nil	Nil	NA	Nil	Nil	NA
Other	Nil	Nil	NA	Nil	Nil	NA

#### 4. Details of instances of product recalls on account of safety issues

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

#### 5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a weblink to the policy.

We have established an IT policy to outline guidelines and protocols for information technology usage across all departments. Additionally, the Company has incorporated protection measures, including access controls to prevent unauthorised access to data.

#### 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/services.

There have been no reported IT-related issues thus far.

#### 7. Provide the following information relating to data breaches:

a. **Number of instances of data breaches** - None

b. **Percentage of data breaches involving personally identifiable of customers** - None

c. **Impact, if any, of the data breaches** - NA

The Company has not encountered any data security breaches in the past.

### Leadership Indicators

#### 1. Channels/platforms where information on products and services of the entity can be accessed (provide weblink, if available).

<https://www.concordbiotech.com/product-overview>

#### 2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Our products are accompanied by a label. It provides consumers with information regarding its composition, contents, recommended storage conditions, manufacturing date, expiration date, and safe usage instructions.

#### 3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Concord manufactures Active Pharmaceutical Ingredients (APIs) and API intermediates, supplying them to customers for further manufacturing into finished drug products. While we do not directly serve end consumers, we prioritise transparent communication with our customers. The Company promptly informs them of any potential supply disruptions or discontinuations as per our agreements.

#### 4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

- Yes, product information, including name, grade (USP/EP/BP/IP), batch number, manufacture date, retest date, quantity, manufacturing site address, license details and storage/handling instructions is displayed on the product label. Each label is signed and approved by the quality department
- The Company conducts regular surveys to gauge customer satisfaction levels for all its products and services



# MANAGEMENT DISCUSSION AND ANALYSIS

## The Global Economy

The global economy showed resilience in 2023, growing at an estimated rate of 3.2% according to IMF projections. This modest recovery was fuelled by pent-up consumer demand, tight labour markets, and leftover savings from the pandemic era. Advanced economies like the United States (US) (2.5% growth) saw progress driven by robust consumer spending and ample job opportunities. However, the Euro Zone faced headwinds with only 0.4% growth due to high energy prices and less confident consumers.

Despite these challenges, emerging and developing economies collectively experienced a robust growth of 4.3%, driven by China's reopening and India's domestic demand strength. Looking ahead, the global outlook for 2024 remains encouraging, with growth forecasted at 3.2%. The economies of advanced nations are projected to grow by 1.7%, while emerging markets are likely to witness a growth of 4.2%. By 2025, the growth of the world economy may accelerate slightly to 3.2%.

However, this year's progress was tempered by challenges such as elevated inflation, aggressive interest rate hikes by central banks to combat rising prices, geopolitical tensions, and persistent supply chain constraints. Though headline inflation cooled towards the year-end it remained above targets in most countries at 5.8%, prompting a hawkish monetary policy stance.

Along with tight monetary policies, reduced fiscal support, and sluggish underlying productivity growth, the above factors contributed to the global economy's resilience and steady expansion. Projections indicate a decline in global headline inflation from an average of 6.8% in 2023 to 5.9% in 2024 and further down to 4.5% in 2025.

## World Economic Outlook Growth Projections

### Growth Projections (%)

	2023	2024	2025
Global Economy	3.2	3.2	3.2
Advanced Economies	1.6	1.7	1.8
Emerging Markets and Developing Economies	4.3	4.2	4.2

Source: [International Monetary Fund (IMF), World Economic Report Projections, April 2024]

## Outlook

The global economic outlook for 2024 is cautiously optimistic, with modest growth of 3.1-3.2% projected amid the cooling inflation. However, to sustain this growth, there is a need for careful policymaking to navigate persistent downside risks. These risks include high interest rates, weak consumer demand, supply constraints, geopolitical tensions, and potential debt issues or financial crises. While China's

projected recovery is an upside, there are also headwinds due to factors like housing constraints, labour shortages, and energy transition costs. While a recession is not widely anticipated, the US could see a mid-year slowdown and Europe faces prolonged downturn risks. Overall, there is a need for structural reforms to boost productivity. This will be crucial, especially in emerging markets, as the global economy walks an economic tightrope, demanding deft guidance from policymakers.

## The Indian Economy

India's economy has displayed remarkable resilience and sustained robust growth. This can be attributed to a combination of proactive policy measures, favourable economic conditions, and resilient domestic demand. The country's GDP grew by an impressive 8.4% in the fourth quarter of 2023, surpassing analysts' expectations. This strong performance can be attributed to the government's capital spending push, vigorous manufacturing activity, and strategic initiatives. For instance, the production linked incentive (PLI) scheme aimed at boosting key targeted manufacturing industries.

The Global rating agency Moody's has further underscored India's economic strength by raising its GDP growth projection for the 2024 calendar year to 6.8%, up from the previous estimate of 6.1%. This upward revision reflects India's robust economic performance in 2023 and the diminishing global economic challenges. Moody's anticipates that India will uphold its status as the fastest-growing G-20 economy throughout the forecast period.

The agency also anticipates policy continuity after the general election with a sustained focus on infrastructure development. The interim budget has targeted a capital expenditure allocation of INR 11.11 Lac Crores or 3.4% of GDP in the fiscal year FY 2024-25, marking a significant increase of 11.11% over the previous year's estimates.

However, there are also challenges. It has become challenging to maintain price stability, which is leading to food price uncertainties and cost-push pressures. The CPI inflation is projected at 4.5% for 2024-25. While overall private consumption has rebounded, the growth in consumption remains subdued at only 3.5% in the third quarter of FY 2023-24. These challenges underscore the importance of continued vigilance and policy measures to sustain India's impressive economic performance and foster inclusive growth.

## Outlook

India is on a promising economic trajectory, with an ambitious vision to become the world's third-largest economy by CY 2047 and a targeted GDP of USD 5 Tn by CY 2027. Despite global challenges, the economy has showcased remarkable resilience. This can be attributed

## MANAGEMENT DISCUSSION AND ANALYSIS (contd.)

to robust domestic demand, strategic initiatives like the PLI scheme to boost manufacturing, and a sharp focus on infrastructure development. Despite challenges such as uneven sectoral growth, inflationary pressures, and geopolitical tensions, the outlook remains positive. This is further bolstered by the implementation of game-changing policies like PM GatiShakti and the National Logistics Policy. With the economy's inherent strength and ongoing reforms, and the Government's commitment to sustainable economic advancement, India is poised for continued expansion. The Government is aiming to enhance the quality of life for its citizens and fulfil their aspirations for a better future.

### Global Pharmaceutical Market

The global pharmaceutical market was estimated at USD 1,559.53 Bn in CY 2023 and is projected to reach USD 2,832.66 Bn by CY 2033, with a CAGR of 6.15%. This can be attributed to demographic shifts, lifestyle changes, healthcare progress, and the industry's commitment to innovation.

Demographic shifts, such as aging populations and increase in chronic diseases globally, are leading to a higher demand

for treatments addressing age-related and chronic health issues. At the same time, the impact of urban lifestyles on the prevalence of obesity and diabetes continues to sustain the need for pharmaceutical interventions. The expansion of healthcare services in emerging economies is further enabling better access to care and medicines.

Alongside these demand-side factors, significant investments in research and development (R&D) by the pharma industry have led to advancements in biotechnology, genomics, and personalised medicine. This is fuelling innovation in drug discovery and development. Additionally, cost pressures have spurred the industry to develop targeted, curative, and affordable treatments, further transforming the value chain.

Innovation in therapeutics and the introduction of Covid vaccines have also contributed to the industry's growth trajectory. These factors, combined with the industry's focus on product innovation, operational efficiency, stakeholder engagement, and cost management, are poised to drive the robust expansion of the global pharmaceutical market in the coming years.

### Global Pharmaceutical Market: 2023-2033 [USD Bn]

CY 2023	CY 2024	CY 2025	CY 2026	CY 2027	CY 2028	CY 2029	CY 2030	CY 2031	CY 2032	CY 2033
1,559.53	1,655.44	1,757.25	1,865.32	1,980.04	2,101.81	2,231.07	2,368.28	2,513.93	2,668.54	2,832.66

Source: <https://www.biospace.com/article/releases/pharmaceutical-market-size-to-hit-around-usd-2-832-66-bn-by-2033/>

### Global API Market

Recent trends in the active pharmaceutical ingredients (API) market indicate a significant shift towards promoting local production and increasing the demand for novel APIs. The global API market was valued at approximately USD 224.58 Bn in CY 2023 and is projected to reach USD 311.05 Bn by CY 2028, expanding at a CAGR of 6.73% during the forecast period. This growth is likely to be driven by the rising need for specialised drugs to address complex medical conditions, leading to the development of novel APIs using advanced biotechnologies and synthesis techniques.

APIs are the biologically active components of drug products, responsible for their therapeutic effects. These ingredients can be produced through two main methods: chemical synthesis, such as crystallisation, or biotechnological processes using living organisms like bacteria, fungi, or cell cultures in bioreactors.

The API market can be further segmented based on the manufacturer type, which includes the merchant and captive markets. Merchant APIs are sold by third-party manufacturers, either in the open market or directly to drug formulators. Captive APIs are produced in-house by pharmaceutical companies for use in their own formulations. Currently, the merchant API segment accounts for around 40% of the market share, and is expected to grow at a much higher rate due to increasing outsourcing trends. Formulation companies are focussing on improving speed-to-market, cost-effectiveness and quality, and leveraging external technical expertise, which is driving the growth of the merchant API segment.

### Global API Market: 2023-2028 [USD Bn]

CY 2023	CY 2024	CY 2025	CY 2026	CY 2027	CY 2028
224.58	238.59	254.00	271.02	289.94	311.05

Source: *Global Active Pharmaceutical Ingredients Market 2024-2028*

## MANAGEMENT DISCUSSION AND ANALYSIS (contd.)

### Market Drivers

#### Volume Growth Drivers

The increasing prevalence of chronic diseases globally and better diagnosis rates are major volume growth drivers for the API market. The pharmaceutical sector in emerging markets is growing rapidly, driven by improving healthcare infrastructure and rising economic prosperity. This is further fuelling higher volume consumption of APIs. The increasing availability and adoption of low-cost generic drugs as expensive innovator drugs lose exclusivity is another key volume growth catalyst.

#### Value Growth Drivers

From a value perspective, the FDA approved 227 new chemical entities and 88 new biological entities between 2016 and December 2022. Many of these required complex and high-value APIs like peptides and siRNA. Around 25% of all new chemical entities currently under development are highly potent compounds requiring specialised manufacturing capabilities and stringent handling protocols. The growing adoption of these complex drug molecules is expected to drive high-value API demand and pricing.

### Global Fermentation-Based API Market

The global small molecule fermentation API market was valued at USD 11 Bn in CY 2022 and is expected to reach approximately USD 14 Bn by CY 2026, recording an impressive CAGR of 3.6%. In terms of volume, this market was 51,519 metric tonnes in CY 2022 and is forecasted to expand robustly at a 4.6% CAGR to reach 61,673 metric tonnes by CY 2026. Fermentation products can be naturally derived as well as semi-synthetically processed. These fermentation-derived APIs are versatile active ingredients or intermediates used in a wide range of pharmaceutical products like vaccines, anticancer drugs, antibiotics, hormones, and immunosuppressants. A diverse array of microorganisms is utilised to produce a range of molecules including peptides, proteins, nucleic acids and lipids.

The fermentation-based API market is being propelled by the rapid adoption of generic drugs, as companies and healthcare systems seek low-cost alternatives. Consequently, the volume of APIs utilised in generic drugs is expected to witness quicker growth at a 5.2% CAGR between CY 2022 and 2026 compared to 3.3% for innovator drugs over the same period. Generic drug fermentation APIs accounted for a dominant share of nearly 70% by volume in CY 2022, highlighting the cost-effectiveness of this technology platform. The inherent technological advantages of fermentation such as higher yields, natural extraction and the availability of a diverse array of expression hosts are key driving forces expanding this market globally.

### Global Small Molecule Fermentation API Market by Sales Value [USD Bn]

CAGR (2022-2026): 3.6%

CY 2019	CY 2022	CY 2026
11	12	14

### The Indian API Market

The India API market is expected to witness substantial growth. It is anticipated to reach USD 20.32 Bn by CY 2029 from USD 13.64 Bn in CY 2024, at a CAGR of 8.31% during the forecast period (2024-2029). This growth can be attributed to the increasing prevalence of chronic diseases, growing geriatric population, increasing adoption of biologics and biosimilars, and the rising production of generic drugs in the country.

India is the world's third-largest drug producer by volume, operating over 250 facilities approved by the USFDA and UKMHRA. The rising burden of infectious, genetic, and other chronic diseases, such as cancer, diabetes, and neurological disorders, is a key driver for market growth. The growing geriatric population, more prone to developing chronic conditions, is also contributing to the demand for APIs. The increasing adoption of biosimilars and biologic drugs is expected to boost market growth. The Indian Government is also taking initiatives to boost API production. This includes setting up bulk drug parks and providing PLIs to companies investing in domestic manufacturing of critical APIs. Companies are also adopting strategies like collaborations, agreements, and increasing generic drug production, thereby contributing to market growth. However, stringent regulations for drug approvals, various drug price policies, and high competition among API manufacturers may hinder market growth.

Source: [<https://www.mordorintelligence.com/industry-reports/india-active-pharmaceutical-ingredients-market>]

### India's Competitive Advantage in the API Industry

#### Robust Industry Foundation

India has a strong specialty chemicals industry, as the 6th largest global producer. This provides the country with a strong foundation to manufacture high-quality intermediates and key starting materials for APIs cost-effectively. The large chemicals base acts as a backbone, enabling cost-competitive API production.

#### Solid R&D Ecosystem

India has invested intensively in R&D infrastructure, with 3,500 engineering colleges, emerging startups, and growing global partnerships. This allows for continuous process optimisation, quality improvements, and environmental sustainability in large-scale API manufacturing.



## MANAGEMENT DISCUSSION AND ANALYSIS (contd.)

### Capacity Expansion Initiatives

The Indian Government is driving multiple initiatives like raising FDI limits, new IP frameworks, production clusters, and PLI schemes to expand the country's API manufacturing capacity. This 'Aatmanirbhar' vision aims to increase self-reliance and make Indian APIs more cost-competitive globally.

### Regulatory Excellence

India has a proven track record of serving highly regulated markets like the US. In CY 2022, India accounted for 50% of USDMF filings and 28% of USFDA approved API facilities. This regulatory proficiency allows the country to reliably meet global API demand.

### Cost Competitiveness

Increasing pricing pressures are driving pharmaceutical companies to seek cost-competitive, high-quality API suppliers. India offers substantial cost advantages such as 40-70% lower manufacturing/operating costs and 50-70% lower labour costs compared to western countries. Setting up an FDA-approved plant in India costs ~50% less on average.

The country has a robust chemical industry, strong R&D capabilities, proactive Government support, regulatory excellence, and significant cost advantages. All of these position India as a leading, cost-competitive API manufacturing hub for global markets.

### Company Overview

Concord Biotech (also referred to as 'Concord' or 'The Company') is an India-based biopharmaceutical company and one of the leading global developers and manufacturers of select fermentation-based APIs across immunosuppressant and oncology. The Company's market-leading position, with over 20% share by volume in 2022 for key fermentation-based APIs like mupirocin, sirolimus, tacrolimus, mycophenolate sodium and cyclosporine, enables it to supply to over 70 countries. These include highly regulated markets such as the US, Europe, and Japan (Source: F&S Report). With a total installed fermentation capacity of 1250 m<sup>3</sup> as of 31<sup>st</sup> March 2024, Concord is among the few companies globally to have successfully established and scaled up complex fermentation-based API manufacturing capabilities.

The Company's comprehensive offerings span both biopharmaceutical APIs and formulations across therapeutic areas like immunosuppressants oncology, anti-infectives nephrology, and critical care. Concord's fermentation and semi-synthetic expertise allows it to produce high-quality, complex APIs. Its formulations business caters to the growing demand for advanced drug products like tablets,

capsules, and injections. Since launching its formulations vertical in 2016, the Company has rapidly expanded its geographical footprint to markets across India, emerging economies, and the US. Its vertically integrated business model, coupled with robust manufacturing capabilities, enables it to deliver a consistent supply of high-quality products to customers worldwide.

### Product Portfolio

Concord's diversified product portfolio underpins its leadership in fermentation-based APIs and formulations. As of 31<sup>st</sup> March 2024, the Company had a robust portfolio comprising 30 API products and 98 formulations brands additionally, The Company's extensive range includes critical therapeutic areas such as immunosuppressant, anti-bacterial, anti-fungal, oncology, nephrology, and critical care, catering to the diverse needs of patients worldwide.

### Strengths

- **Established Presence Across the Complex Fermentation Value Chain**

Concord Biotech has built robust capabilities across the fermentation value chain, encompassing R&D, patents, key starting materials, API and formulation manufacturing, as well as marketing and distribution. This comprehensive expertise has enabled it to develop and commercialise a wide range of fermentation-based APIs across multiple therapeutic areas over the past two decades.

- **Global Leadership in Immunosuppressant APIs and Complex Fermentation-based APIs**

Concord Biotech has more than 20% market share by volume for its key fermentation-based APIs like Mupirocin, Sirolimus, Tacrolimus, Mycophenolate Sodium, and Cyclosporine. This makes the Company one of the leading global developers and manufacturers of fermentation-based APIs in immunosuppressants and oncology. Its extensive portfolio also includes fermentation-based APIs in anti-bacterial, anti-fungal, and other therapeutic segments.

- **Scaled Manufacturing Facilities with Regulatory Compliance and Strong R&D**

The Company operates three manufacturing facilities in Gujarat, India, with flexible plant configurations and a total installed fermentation capacity of 1,250 m<sup>3</sup> as of 31<sup>st</sup> March 2024. Its facilities have successfully undergone inspections by global regulators, including the USFDA and EMA, demonstrating a consistent track record of regulatory compliance. Concord's strong R&D capabilities, with a team of 173 members, has enabled the commercialisation of 30 fermentation-based APIs.



## MANAGEMENT DISCUSSION AND ANALYSIS (contd.)

### Diversified Global Customer Base and Long-Standing Relationships

Concord Biotech has cultivated a diverse global customer base spanning over 250 customers in 70+ countries as of 31<sup>st</sup> March 2024. The Company has established long-standing relationships with leading global generic pharmaceutical companies and developed relationships with 48, 47, and 63 and 95 new customers during FY 2020-21, 2021-22, and 2022- 23 and 2023-24, respectively.

- **Experienced Promoters and Management Team**

Concord Biotech is led by an experienced Promoter-led management team, supported by over 2,400 employees across various functions.

### Research & Development

Concord's robust R&D capabilities form the backbone of its fermentation and product development expertise across APIs and formulations. With dedicated R&D units approved by DSIR, India, and a workforce of 173 personnel as of 31<sup>st</sup> March 2024, the Company's API R&D focusses on fermentation technology. This encompasses strain improvement, media optimisation, process development, scale-up, and technology transfer. It also includes chemical processes like downstream processing, semi-synthetic routes, non-infringing processes, and analytical methods. The Company's formulations R&D unit develops niche dosage forms, leveraging comprehensive analytical capabilities.

It offers contract research and manufacturing services spanning the entire spectrum, from strain improvement to process optimisation, scale-up, biotransformation, and formulation development for global markets. Concord's R&D investments of INR 23 Crores in FY 2023-24 reinforce its commitment to innovation.

### R&D Investments

(INR in Crores)

FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
19	26	30	23

### Manufacturing

Concord Biotech has three world-class manufacturing facilities in Gujarat, India spanning a massive area. The Company's API facilities comprise numerous blocks with comprehensive capabilities for fermentation, chemical synthesis, downstream processing and handling processes like filtration and chromatography. On the formulations side, it has dedicated facilities for manufacturing oral solids, liquids as well as injectable dosage forms. Concord's units have received approvals from global regulators like USFDA, EMA and PMDA, attesting to its stringent quality standards. With this extensive vertically integrated infrastructure adhering to global regulatory requirements, Concord is well-positioned to reliably serve its customers worldwide with a range of high-quality APIs and formulations.

### Financial Review

Concord Biotech's financial performance in FY 2023-24 was robust, driven by strong growth across its key divisions.

Its revenue from operations stood at a remarkable INR 1,016.9 Crores, reflecting a significant increase from the previous year. The Company also saw substantial growth in its Operating EBITDA which reached an impressive INR 434.9 Crores. The Profit After Tax (PAT) stood at INR 308.1 Crores, showing a notable improvement from FY 2022-23. Additionally, the Earnings Per Share (EPS) increased to INR 29.5 from the figure recorded in the previous year. Overall, these outstanding results demonstrate the Company's strong performance and growth trajectory in FY 2023-24, fostering a confident and optimistic outlook for the future.

Particulars	FY 2023-24	FY 2022-23
EBITDA/Turnover (%)	42.8%	40.5%
Return on Capital Employed	27.0%	24.3%
Return on equity (%)	22.0%	20.1%
Book value per share (INR)	145.9	123.3
Earnings per share (INR)	29.5	22.9
Working Capital Days	259	229
Current ratio (x)	6.3	3.8
Net profit margin (%)	30.3%	28.1%



## MANAGEMENT DISCUSSION AND ANALYSIS (contd.)

### Risk Management

Type of Risk	Risk Description	Risk Mitigation
Human Resource Risk	Inability to attract/retain skilled staff impacting operations and product development	The Company provides competitive compensation, growth opportunities, and a positive work culture for its employees. It also invests in comprehensive training and development programmes.
Regulatory Risk	Non-compliance with regulations or failure to secure approvals disrupting business	Concord Biotech maintains a dedicated regulatory affairs team to monitor changes. The Company implements robust quality systems and procedures. Its approach ensures transparency with regulatory bodies.
Intellectual Property Risk	IP infringement or challenges undermining competitive advantage	The Company vigorously pursues patent protection for its innovations globally. It has established IP monitoring and defence processes in place. Concord also ensures strict confidentiality of proprietary information.
Demand Risk	Fluctuations in market demand leading to excess inventory or reduced sales	Concord's demand forecast aligns with production levels. It maintains flexible manufacturing capabilities. The Company also diversifies its product portfolio to mitigate risks.
Manufacturing Operations Risk	Disruptions in manufacturing processes impacting product supply	Concord Biotech implements rigorous quality control, preventive maintenance, and inventory management. It has backup facilities and alternative sourcing options and also prioritises continuous upgrades to manufacturing technologies.
Quality Assurance & Certifications Risk	Loss of quality standards/certifications leading to quality issues and customer loss	Concord maintains a dedicated quality assurance team. The Company conducts regular audits, inspections, and validations. It also provides ongoing training to its manufacturing and quality personnel.

### Human Resources

Concord Biotech recognises its people as the most valuable asset. The Company is committed to fostering an inclusive and engaging work environment, attracting and retaining top talent through innovative recruitment strategies. It emphasises on hiring skilled researchers, scientists, and technical professionals passionate about driving innovation and providing comprehensive training programmes for their professional growth. Concord also promotes diversity and inclusion initiatives, ensuring equal opportunities for all.

The Company prioritises employee well-being and satisfaction through wellness initiatives, employee assistance programmes, and open communication channels. Regular feedback, coaching, and performance evaluation ensures that employees are able to effective contribution towards the organisational mission. With an employee strength of 1377 as of 31<sup>st</sup> March 2024, Concord's human resources practices are centred around developing and retaining top scientific and technical talent, fostering engagement, and driving organisational success through effective workforce management.

### Internal Control Systems and its Adequacy

Concord Biotech prioritises robust internal control systems to ensure operational efficiency and integrity. The Company emphasises on integrity, accountability, and ethical behaviour, with its management setting the tone at the top. Regular risk assessments help Concord identify and address potential

risks, while comprehensive control activities tailored to its healthcare operations include segregation of duties and IT controls. Clear communication, training programmes, and continuous monitoring ensure the effectiveness of internal controls. Concord Biotech maintains a culture of compliance and accountability, empowering its employees to uphold controls and report any concerns. It regularly enhances the internal control framework to adapt to evolving risks and industry best practices, ultimately aiming to deliver quality healthcare services.

### Cautionary Statement

The statement provided in this section outlines the Company's objectives, projections, expectations, and estimations, which may be deemed as 'forward-looking' as per applicable securities laws and regulations. These forward-looking statements are based on certain assumptions and anticipations of future events. However, it's important to note that the Company cannot guarantee the accuracy or realisation of these assumptions and expectations. Actual results may significantly differ from those expressed in the statement or implied due to various external factors beyond the Company's control. The Company assumes no responsibility to publicly amend, modify, or revise any forward-looking statements based on subsequent developments. It's essential for stakeholders to exercise caution and consider the inherent uncertainties associated with forward-looking statements when making decisions based on such information.

## DIRECTORS' REPORT

TO THE MEMBERS:

The Directors have pleasure in presenting the **39<sup>th</sup> Annual Report** on the business and operations along with audited standalone and consolidated financial statement of accounts of the Company for the financial year ended on 31<sup>st</sup> March 2024.

### 1. FINANCIAL RESULTS

The financial results of the company for the year under review are as under:

	(INR in Lakhs)	
<b>Particulars</b>	<b>FY 2023-24</b>	<b>FY 2022-23</b>
Revenue from Operation	1,01,693.92	85,316.82
Other Income	3,378.00	3,530.93
Share of Profit in Joint venture with Japan	337.13	195.93
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	46,533.71	37,859.68
Less: Depreciation/ Amortization/ Impairment	5,359.15	5,403.24
Profit /loss before Finance Costs, Exceptional items and Tax Expense	41,174.56	32,456.44
Less: Finance Costs	255.19	451.03
Profit /loss before Exceptional items and Tax Expense	40,919.37	32,005.41
Add/(less): Exceptional items	0.00	0.00
<b>Profit /loss before Tax Expense</b>	<b>40,919.37</b>	<b>32,005.41</b>
Less: Tax Expense:		
Current	9,983.39	7,953.00
Deferred	462.79	238.16
Short provision for tax of earlier years	-	1.61
<b>Profit /loss for the year (1)</b>	<b>30,473.19</b>	<b>23,812.64</b>
Total Comprehensive Income/loss (2)	(0.73)	25.75
<b>Total (1+2)</b>	<b>30,472.46</b>	<b>23,838.39</b>
Balance of profit /loss for earlier years	1,28,151.88	1,09,764.94
Add: Profit for the Year	30,473.19	23,812.64
Add: Other Comprehensive Income	(0.73)	25.75
Less: Dividend paid on Equity Shares	(7,145.29)	(5,356.35)
Less: Dividend paid on Preference Shares	0.00	0.00
Less: Dividend Distribution Tax	0.00	0.00
<b>Balance carried forward</b>	<b>1,51,479.05</b>	<b>1,28,151.88</b>

The stand alone and consolidated financial statement of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified under the Companies (Indian Accounting Standard) Rules, 2015 as amended.

### 2. DIVIDEND

Your Directors have recommended final dividend of INR 8.75/- per equity share i.e. 875 % on equity shares of INR 1 each for the financial year ended on 31<sup>st</sup> March 2024. The dividend, if approved at the ensuing Annual General Meeting ('AGM'), will be paid to those members whose names appear in the Register of Members as on close of 22<sup>nd</sup> of June 2024. The total dividend payout will be approximately INR 91.54 Crores.

Pursuant to Regulation 43 A (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Board has formulated and adopted Dividend Distribution Policy which has been hosted on the website of the Company <https://www.concordbiotech.com/public/assets/pdf/Concord-Biotech-Limited-Dividend-Distribution-Policy.pdf>

### 3. RESERVES

The Board does not propose to carry any amount to the reserves for the financial year ending 31<sup>st</sup> March 2024.



## DIRECTORS' REPORT (contd.)

### 4. MANAGEMENT DISCUSSION AND ANALYSIS.

Pursuant to Regulation 34 of the SEBI Listing Regulations, the Management Discussion and Analysis Report for the year under review, is forming part of the Annual Report.

### 5. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

The Business Responsibility and Sustainability Reporting ('BRSR'), originating from the MCA report on Business Responsibility Reporting, had found its way into the regulatory provisions by way of an amendment to the Regulation 34(2)(f) of the SEBI Listing Regulations, notified on May 05, 2021. SEBI has made BRSR mandatory for the top 1000 (one thousand) listed entities by market capitalisation with effect from Financial Year 2022-23 and your Company forms part of the top thousand companies. Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations, the BRSR Report for the year under review, is forming part of the Annual Report

### 6. CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As stipulated by Regulation 34(3) read with Schedule V(C) of the Listing Regulations, a report on Corporate Governance forms part of the Integrated Report. In terms of Schedule V(E) of the Listing Regulations, Auditors' certificate confirming compliance with the conditions of corporate governance is annexed to the Corporate Governance Report. The Company is committed to maintain the highest standards of corporate governance and set an benchmark itself. We believe in adherence to good corporate practices and implementing effective policies at all levels. Management Discussion & Analysis Report, in terms of Regulation 34 read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015 is made part of this report.

### 7. LISTING ON STOCK EXCHANGES

In order to achieve the benefits of listing the Equity Shares on the Stock Exchanges, give exit to the existing Investors coupled with enhancement and visibility of your Company as well as provide a public market for the Equity Shares in India the shares of the Company were listed on the stock exchange through an offer of sale by the Investors. On account of issue being an offer of sale, no fresh funds were received in the Company. The shares of the Company were traded on the stock exchange from 18<sup>th</sup> August, 2023.

### 8. MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments have occurred between the end of financial year and date of the report, which could affect financial position of the Company.

### 9. INTERNAL CONTROL SYSTEM

Your Company has strong Internal Controls and Risk Assessment/ Management systems. These systems enable the Company to comply with Internal Company policies, procedures, standard guidelines and local laws to help protect Company's Assets and Confidential information against financial losses and unauthorised use. Further, M/s Manubhai & Shah LLP., Chartered Accountants, have been appointed as Internal Auditor of the Company.

### 10. DETAILS OF SUBSIDIARY/JOINT VENTURES/ ASSOCIATE COMPANIES

Concord Biotech Japan KK based out in Japan is an associate Company in which Company holds 50 % Stake.

Pursuant to provisions of Section 129(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Concord Biotech Japan KK an Associate Company, in **Form AOC-1** is attached to the financial statements of the Company.

### 11. ANNUAL RETURN

As per provisions of Section 92(3) Annual Return of the Company for the financial year ended on 31<sup>st</sup> March 2024 is placed on the website of the Company and the same can be accessed through <https://www.concordbiotech.com/investors>

### 12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Details of Loans, Guarantees and Investment covered under Section 186 of the Companies Act, 2013 appear in the notes to the financial statement.

### 13. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 152 (6) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) Mr. Ravi Kapoor, Director of the Company is liable to retire by rotation, and being eligible, offer himself for re-appointment. The Board of Directors in it's meeting held on May 23, 2024 on the



## DIRECTORS' REPORT (contd.)

recommendations of the Nomination and Remuneration Committee (NRC) further recommends to the members of the Company for reappointment of Mr. Ravi Kapoor (DIN: 00003847) as Director. Necessary resolution for his appointment is therefore proposed in the ensuing Annual General Meeting.

During the year, following changes have been occurred in Directorship of the Company:

- Mr. Amit Varma has resigned from the Directorship of the Company w.e.f. 19<sup>th</sup> August 2023
- Mr. Anil Katiyal has resigned from the Directorship of the Company w.e.f. 25<sup>th</sup> August 2023
- Mr. Utpal Sheth has resigned from the Directorship of the Company w.e.f. 30<sup>th</sup> September 2023

Mr. Sudhir Vaid was reappointed as Chairman and Managing Director of the Company w.e.f. 1<sup>st</sup> April 2024 for a period of 5 years and Mr. Ankur Vaid was reappointed as Joint Managing Director and CEO of the Company w.e.f. 1<sup>st</sup> June 2024 for a period of 5 years. There were no other changes in Key Managerial Personnel of the Company during the year under review.

### 14. DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to Section 149(6) of the Companies Act, 2013, Independent Directors of the Company have made a declaration confirming the compliance of the conditions of the independence stipulated in the aforesaid section read with Schedule IV of the Companies Act, 2013.

### 15. NO. OF MEETINGS OF THE BOARD OF DIRECTORS

There were total Eight (8) meetings of the Board of Directors of the Company held during the financial year from April 01, 2023 to 31<sup>st</sup> March 2024 on following dates:

SR.NO.	DATE	SR. NO.	DATE
1.	03-05-2023	5.	09-08-2023
2.	01-07-2023	6.	06-09-2023
3.	17-07-2023	7.	08-11-2023
4.	27-07-2023	8.	08-02-2024

### 16. DEPOSITS

The Company has not accepted any deposits during the period under review and there are no outstanding deposits as on 31<sup>st</sup> March 2024. There have been no matured deposits remaining unpaid at the year-end.

### 17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of every contract or arrangements entered into by the Company with related parties referred

to in sub section (1) of section 188 of the Companies Act, 2013 including arms length transactions under third proviso thereto is annexed in **Annexure I**.

### 18. INFORMATION PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2013

- a. Conservation of energy and technology absorption.

Information pursuant to clause (m) sub-section (3) of section 134 of The Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and forming part of this report are given in the **Annexure II**.

- b. The details of foreign exchange earnings and outgo are annexed in Annexure II.

### 19. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(c) of the Companies Act, 2013 the Directors confirm the following:

- i. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- ii. Your Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- iii. Your Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. Your Directors had prepared the attached Annual Accounts for the year ended on 31<sup>st</sup> March 2024 on a going concern basis.
- v. Your Directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively.
- vi. Your Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



## DIRECTORS' REPORT (contd.)

### 20. DETAILS OF COMMITTEE OF DIRECTORS:

Detailed note on Composition of Audit Committee of Directors, Nomination and Remuneration Committee of Directors, CSR Committee, Finance & Investment Committee and Stake Holders Relationship Committee of Directors, number of meetings held of each Committee during the financial year 2022-23 and meetings attended by each member of the Committee as required under the Companies Act, 2013 are provided in Corporate Governance Report.

### 21. PARTICULARS OF EMPLOYEES:

Company does not have any employees who is drawing remuneration in excess of limit prescribed under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The information required under section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, attached as "**Annexure- III**"

The statement containing the names of top ten employees will be made available on request sent to the Company on [complianceofficer@concordbiotech.com](mailto:complianceofficer@concordbiotech.com).

### 22. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished as attached to this report. "**Annexure – IV**". The weblink for the same is <https://www.concordbiotech.com/public/assets/pdf/Concord-Biotech-Limited-Nomination-and-Remuneration-Policy.pdf>

### 23. ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE, ITS COMMITTEES AND INDIVIDUAL DIRECTORS:

The Company has devised a Policy for performance evaluation of the Board, Committees and other individual Directors (including Independent Directors) which includes criteria for performance evaluation of the Non-Executive Directors and Executive Directors. The evaluation process inter alia considers attendance of Directors at Board and committee meetings, acquaintance with business, communicating inter-se board members, effective participation, domain knowledge, compliance with code of conduct, vision

and strategy, benchmarks established by global peers, etc., which is in compliance with applicable laws, regulations and guidelines.

The Board carried out annual performance evaluation of the Board, Board Committees and Individual Directors and Chairman. The Chairman of the respective Board Committees shared the report on evaluation with the respective Committee members. The performance of each Committee was evaluated by the Board, based on report on evaluation received from respective Board Committees.

The reports on performance evaluation of the Individual Directors were reviewed by the Chairman of the Board.

In compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the performance evaluation was carried out as under Board:

#### Board:

In accordance with the criteria suggested by the Nomination and Remuneration Committee, the Board of Directors evaluated the performance of the Board, having regard to various criteria such as Board composition, Board processes, Board dynamics etc. The Independent Directors, at their separate meetings, also evaluated the performance of the Board as a whole based on various criteria specified by Companies Act, 2013. The Board and the Independent Directors were of the unanimous view that performance of the Board of Directors as a whole was satisfactory.

#### Committees of the Board:

The performance of the Audit Committee, the Nomination and Remuneration Committee and the Stakeholders Relationship Committee was evaluated by the Board having regard to various criteria such as committee composition, committee processes, committee dynamics etc. The Board was of the unanimous view that all the committees were performing their functions satisfactorily and according to the mandate prescribed by the Board under the regulatory requirements including the provisions of the Act, the Rules framed there under and the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

#### Individual Directors:

##### **Independent Directors: -**

In accordance with the criteria suggested by the Nomination and Remuneration Committee, the performance of each Independent Director was evaluated by the entire Board of Directors (excluding

## DIRECTORS' REPORT (contd.)

the Director being evaluated) on various parameters like engagement, leadership, analysis, decision making, communication, governance and interest of stakeholders. The Board was of the unanimous view that each Independent Director was a reputed professional and brought his/her rich experience to the deliberations of the Board. The Board also appreciated the contribution made by all the Independent Directors in guiding the management in achieving higher growth and concluded that continuance of each Independent Director on the Board will be in the interest of the Company.

### **Non-Independent Directors: -**

The performance of each of the Non-Independent Directors (including the chairman) was evaluated by the Independent Directors at their separate meeting. Further, their performance was also evaluated by the Board of Directors. The various criteria considered for the purpose of evaluation included leadership, engagement, transparency, analysis, decision making, functional knowledge, governance and interest of stakeholders. The Independent Directors and the Board were of the unanimous view that each of the non-independent directors was providing good business and people leadership.

### **24. CORPORATE SOCIAL RESPONSIBILITY:**

The details of policy developed and implemented by the Company on Corporate Social Responsibility is available on website of Company at [www.concordbiotech.com](http://www.concordbiotech.com). Further Annual Report on CSR activities pursuant to Rule 8 of Companies (Corporate Social Responsibility policy) Rules, 2014 as amended is attached as "**Annexure-V**" to this report.

### **25. SECRETARIAL AUDIT REPORT**

Pursuant to Section 204 of the Act, the Secretarial Audit Report for the Financial Year ended on 31<sup>st</sup> March 2024 provided by Mr. Ashish Shah of M/s. Ashish Shah & Associates, Practicing Company Secretary is annexed herewith as "**Annexure-VI**" to this Report.

### **26. AUDITORS**

M/s. Deloitte Haskins & Sells, Chartered Accountants, (Firm Registration No. 117365W) were reappointed in the Annual General Meeting of Financial Year 2018-19 for a second term of 5 consecutive years from the Annual General Meeting of Financial Year 2018-19 till the conclusion of the Annual General Meeting for the FY 2023-24. M/s. Deloitte Haskins & Sells, Chartered Accountants, (Firm Registration No. 117365W) are not eligible to be re-appointed as Statutory Auditor of

the Company as they have completed their term of appointment in the Company.

M/s. BSR & Co. LLP, Chartered Accountants, being eligible has offered themselves for appointment as Statutory Auditor of the Company and has provided consent cum eligibility letter to the Company. The Board of Directors of the Company at its meeting held on 23.05.2024 has approved the appointment of M/s. BSR & Co. LLP, Chartered Accountants for a period of five years from the conclusion of this Annual General Meeting till the conclusion of 44<sup>th</sup> Annual General Meeting to be held in the year 2029. The Company now requests you to pass the resolution for appointment of M/s. BSR & Co. LLP, Chartered Accountants as Statutory Auditors of the Company.

### **27. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND SECRETARIAL AUDITOR**

There are no qualifications or comments by the Statutory Auditors and Secretarial Auditors which require any explanation from the Directors.

### **28. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE.**

There are no material orders passed by the Regulators, Courts, and tribunals impacting going concern status and the Company's operations in future.

### **29. VIGIL MECHANISM:**

In Compliance with the provisions of Companies Act, 2013, the Company has established a vigil mechanism and overseas through the Committee, the genuine concerns about unethical behavior expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimisation of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company. The board has approved a policy for vigil mechanism which has been hosted on the website of the Company.

### **30. RISK MANAGEMENT POLICY OF THE COMPANY:**

The Company has structured risk management policy. The Risk management process is designed to safeguard the organisation from various risks through adequate and timely actions. It is designed to anticipate, evaluate

**DIRECTORS' REPORT (contd.)**

and mitigate risks in order to minimise its impact on the business. The potential risks are inventoried and integrated with the management process such that they receive the necessary consideration during decision making. It is dealt with in greater details in the management discussion and analysis section

**31. INCREASE AND SUB DIVISION IN AUTHORISED SHARE CAPITAL:**

There were no changes in Authorised Share Capital of the Company during the year.

**32. INCREASE IN ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL:**

There were no changes in the Paid-Up Share Capital of the Company during the year.

**33. MAINTENANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SUB SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013 AND STATUS OF THE SAME:**

M/s. Dalwadi & Associates, Cost Accountants have been duly reappointed as Cost Auditors of the Company for the FY 2023-24. The cost records as specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 are made and maintained by the Company.

**34. CONSTITUTION OF INTERNAL COMPLAINTS COMMITTEE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has established an Internal Complaint Committee under the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, there were no incidences of sexual harassment reported.

**35. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:**

No frauds have been noticed or reported during the year under audit report which are reportable to the Central Government.

**36. HUMAN RESOURCES**

The employees have played a major role in the performance of the Company over the years. They will

continue to be the Company's pillars of strength in the years to come as proper training and exposure to the new products will be forthcoming. Industrial relations in the Company were amicable throughout the year under review.

**37. COMPLIANCE WITH SECRETARIAL STANDARDS:**

Your Directors confirm that, Company complies with applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

**38. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE FINANCIAL YEAR:**

During the year under review, the Company has not made any application before the National Company Law Tribunal under Insolvency and Bankruptcy Code, 2016 for recovery of outstanding loans against customer and there is no pending proceeding against the Company under Insolvency and Bankruptcy Code, 2016.

**39. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF DURING THE FINANCIAL YEAR:**

It is not applicable to the Company, during the financial year.

**40. ACKNOWLEDGEMENT**

The Directors wish to express their gratitude towards the Bankers of the Company for the cooperation provided by them throughout the year. The Directors also place on record the trust put in by the members in the management of the Company. Your Directors are also grateful to all the agencies, customers, suppliers and all other concerned persons, who have cooperated in the business of the Company.

For and on behalf of the Board of Directors of  
**Concord Biotech Limited**

**Sudhir Vaid**

Chairman & Managing Director  
DIN-00055967

Place: Ahmedabad  
Date: 23<sup>rd</sup> May 2024



# ANNEXURE I

## 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:

Name of Related Party	Nature of Relationship	Nature of Contract / Arrangements / Transactions	Duration of Contracts / Arrangements / Transactions	Salient Terms of the Contracts / Arrangements / Transactions	Justification of entering	Date of Approval by Board	Amount paid in Advance	Date on which Special Resolution was passed in general meeting U/S 188
				NIL				

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

Name of Related Party	Nature of Relationship	Nature of Contract / Arrangements / Transactions	Duration of Contracts / Arrangements / Transactions	Salient Terms of the Contracts / Arrangements / Transactions	Transactions Value	Date of Approval by Board	Amount paid in Advance
Mr. Sudhir Vaid	Chairman and Managing Director	Lease Agreement	3 Years	Lease Office at Mondeal Heights	Lease rent of INR 130.10 Lakhs p.a.	01/07/2023	Nil
Ms. Manju Vaid	Wife of Chairman & MD	Lease Agreement	3 Years	Lease Office at Mondeal Heights	Lease rent of INR 41.74 Lakhs p.a.	01/07/2023	Nil
Col. S.K. Vaid	Brother of MD	Service Contract	N.A.	Providing of professional Services	Increase in service charges 4.05 Lakhs p.m. to 4.61 Lakhs p.m.	08/11/2023	NIL
Ms. Megha Vaid	Wife of Joint MD	Remuneration	N.A.	Periodical review by board	Increase in monthly Remuneration from INR 5.59 to INR 6.70 Lakhs p.m.	08/11/2023	NIL
Ms. Sonal Kumra	Daughter of MD	remuneration	N.A.	Periodical review by board	Increase in monthly Remuneration from INR 6.17 to INR 7.41 Lakhs p.m.	08/11/2023	NIL
Concord Biotech Japan K.K.	Joint Venture	Sale of Goods	N.A.	Sale of Goods at prevailing market rate	INR 4305.98 Lakhs p.a.	01/07/2023	Nil

For and on behalf of the Board of Directors of  
**Concord Biotech Limited**

Place: Ahmedabad  
Date: 23<sup>rd</sup> May 2024

**Sudhir Vaid**  
Chairman & Managing Director  
DIN-00055967



## ANNEXURE II

### PARTICULARS REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

#### A. PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

##### a. The Steps taken or impact on conservation of energy:-

The Company attaches a great deal of importance to energy conservation. Efforts to conserve Energy continued during the year through timely preventive maintenance and inspection of major plant and machinery and replacement of equipment are carried out wherever necessitated.

##### b. The steps taken by the Company for utilising alternate sources of energy

Company at present does not intend to use any alternate source of energy.

##### c. The Capital investment on energy conservation equipments

No Capital investments are planned at this stage.

#### B. TECHNOLOGY ABSORPTION

##### i. Efforts made towards technology absorption:

We have state of the art R & D facilities and developments are carried out to adopt and upgrade new developments.

##### ii. The benefits derived like product improvement, cost reduction, product development or import substitution

At Concord, product improvement and cost reduction is an ongoing process. Company though imports some key raw materials but is not totally dependent on such imported materials.

##### iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –

(a) The details of technology imported :  
Company has imported technology for Anti-Bacterial Drugs.

(b) The year of import : 2020 & 2021

(c) Whether the technology been fully absorbed : While technology for one product has been adopted, for the other its in the process of implementation.

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof

##### iv. The expenditure incurred on Research and Development

Company has incurred Revenue Expenditure of INR 2261.37 Lakhs and Capital Expenditure of INR 241.61 Lakhs during the current year on Research and Development.

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total earnings in foreign exchange for the year ended 31<sup>st</sup> March 2024 were INR 466.95 Crores and the total outflow was INR 127.92 Crores.

For and on behalf of the Board of Directors of  
**Concord Biotech Limited**

**Sudhir Vaid**

Chairman & Managing Director  
DIN-00055967

Place: Ahmedabad  
Date: 23<sup>rd</sup> May 2024

## ANNEXURE III

### PARTICULARS OF EMPLOYEES:-

The information required under section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

**a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.**

Sr. No	Name of the Director	Designation	Ratio to median remuneration
1	Mr. Sudhir Vaid	Chairman and Managing Director	1.27:1
2.	Mr. Ankur Vaid	Jt. Managing Director & CEO	0.73:1

Remuneration drawn by the Managing Director includes perquisites. The Non-executive directors are not paid any remuneration except sitting fees for attending the meetings of the Board and / or Committees thereof which is within the limits prescribed by the Companies Act, 2013

**b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year.**

Percentage Increase in Remuneration for FY 2023-24	
MD/CEO	0.00%
CFO	12%
CS	12%

**c. The percentage increase in the median remuneration of employees in the financial year:- 0.00%**

**d. The number of permanent employees on the rolls of the Company: 1377**

**e. 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 percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The Average percentile increase/decrease made in salaries of employees is 12% while that of KMP is 12%

The Managerial Personnel are responsible for the consolidated performance of the Company, unlike non-managerial personnel. Thus, it is not meaningful to compare the increase in their remuneration with that of the other employees who do not have similar responsibilities.

**f. Affirmation that the remuneration is as per the remuneration policy of the company**

The Company affirms remuneration as per the remuneration policy of the Company.

Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- The company does not have any employee covered under the provisions of section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014.
- The statement containing the names of top ten employees will be made available on request sent to the Company on [complianceofficer@concordbiotech.com](mailto:complianceofficer@concordbiotech.com)

## ANNEXURE IV

### POLICY ON REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL (“KMP”) AND OTHER EMPLOYEES

#### Preamble

This Policy on Remuneration of Directors, Key Managerial Personnel (“KMP”) and Other Employees (hereinafter referred as the “Policy”) of Concord Biotech Limited (“the Company”) is designed and formulated by the Nomination and Remuneration Committee (“the Committee”) of the Company pursuant to the Companies Act, 2013 (the “Act”) and rules made thereunder. In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the Company shall abide by the applicable law.

The Policy lays down the criteria with regard to remuneration of Directors, KMP and other employees.

- A. Guiding Principles for remuneration: The Company shall remunerate all its personnel reasonably and sufficiently as per industry benchmarks and standards. The remuneration shall be commensurate with their contributions and shall be sufficient enough to retain and motivate the human resources of the Company. The compensation package will, inter alia, take into account the experience of the personnel, the knowledge and skill required including complexity of the job, work duration and risks associated with the work, and attitude of the worker like positive outlook, team work, loyalty, past remuneration, past performance etc.

The level and components of the remuneration shall be such so as to align with the long term interest of the Company and its shareholders.

- B. Components of Remuneration:

The following will be the various remuneration components which may be paid to the personnel of the Company based on the designation and class of the personnel.

- a. Fixed compensation: The fixed salaries of the Company's personnel shall be competitive and based on the individual personnel's responsibilities and performance.

- b. Variable compensation: The personnel of the Company may be paid remuneration by way of variable salaries based on their performance evaluation. Such variable salaries should be based on the performance of the individual against his short and long term performance objectives and the performance of the Company.
- c. Share based payments: The Board of Directors may, on the recommendation of the Nomination and Remuneration Committee, issue to certain class of personnel a share and share price related incentive program.
- d. Non-monetary benefits: Senior management personnel of the Company may, on a case to case basis, be awarded customary non-monetary benefits such as discounted salary advance /credit facility, rent free accommodation, Company cars with or without chauffer's, share and share price related incentive, reimbursement of electricity and telephone bills etc.
- e. Commission: The directors may be paid commission if approved by the shareholders. The shareholders may authorise the Board to declare commission to be paid to any director of the Board.
- f. Retirement benefits: The Company shall provide retirement benefits applicable in accordance with law.
- g. Sitting Fee and Commission: The Company may pay sitting fee for attending Board and Committee meeting and commission to the Directors of the Company in compliance with law.
- h. Loan/ advances to the Employees: The Company may give loan or advances to the employees in accordance with the provisions of the Companies Act, 2013 and the terms and conditions of the Loan Policy of the Company, as approved by the Board or any Committees thereof, from time to time.



**ANNEXURE IV (contd.)**

- C. Entitlement: The authority to determine the entitlement to various components as aforesaid for each class and designation of personnel shall be as follows:

<b>Designation / Class</b>	<b>To be determined by</b>
Managing Director/ Joint Managing Director/ Whole Time Director	The remuneration for the Managing Director/ Joint Managing Director/ Whole-time Director is as per the agreement approved by the shareholders on recommendation of the Board of Directors. In case of any change, the same would require the approval of the shareholders on recommendation of the Board of Directors and other applicable compliances required by laws.
Independent Directors*	Board of Directors / Executive Committee
Other Directors	Board of Directors
Senior Management	Recommendation of the Nomination and Remuneration Committee and approval of Board of Directors
Recommendation of the Nomination and Remuneration Committee and approval of Board of Directors	Departmental Heads in consultation with Human Resources Head

\*Sitting fee payable to the directors shall be as approved by the Board in accordance with the provisions of the law.

- D. Amendment: The Remuneration policy may be reviewed by the Board of the Company on the recommendation of the Nomination & Remuneration Committee of the Board.



# ANNEXURE V

## Annual Report on CSR Activities for the year ended 31<sup>st</sup> March 2024

### 1. Brief outline on CSR Policy of the Company:

Concord Biotech Limited shall strive to reach out to the under-privileged, needy and weaker sections of the society and to address the social, educational, cultural, environmental and economic needs of such sections of the society. The company shall give preference to the local area of its operations.

Key Focus Areas of the CSR Policy are

- a) Promoting education
- b) Health Care
- c) Sustainable Livelihood
- d) Protection of the environment
- e) Promotion of sports
- f) Gender Equality & Empowerment of Women
- g) Rural Development
- h) Infrastructure development

### 2. Composition of the CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Ankur Vaid	Chairman and Joint Managing Director & CEO	2	2
2	Mr. Arvind Agarwal	Member and Director	2	2
3	Mr. M Sriraman	Member and Director	2	2

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company	Weblink for composition of CSR Committee is <a href="https://www.concordbiotech.com/social-responsibility-policy">https://www.concordbiotech.com/social-responsibility-policy</a> Weblink for CSR Policy is <a href="https://www.concordbiotech.com/social-responsibility-policy">https://www.concordbiotech.com/social-responsibility-policy</a> Weblink for CSR Projects as approved by the Board is <a href="https://www.concordbiotech.com/csr">https://www.concordbiotech.com/csr</a>			
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014, if applicable (attach the report)	N.A.			
5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility) Rules, 2014, and amount required for set off for the financial year, if any	Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in INR)	Amount required to be setoff for the financial year, if any (in INR)
		N.A.		
6. Average net profit of the Company as per Section 135(5)	INR 28614.89 Lakhs			

**ANNEXURE V (contd.)**

7. (a)	Two percent of average net profit of the Company as per Section 135(5)	: 572.30 Lakhs
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	: 18.03 Lakhs
(c)	Amount required to be set off for the financial year, if any	: Nil
(d)	Total CSR obligation for the financial year (7a + 7b - 7c)	: 590.33 Lakhs

**8. (a) CSR amount spent or unspent for the financial year.**

Total Amount Spent for the Financial Year (in INR Lakhs)	Amount Unspent (In INR Lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount (in INR Lakhs)	Date of Transfer	Name of the Fund	Amount (in INR Lakhs)	Date of Transfer
590.33 Lakhs	Nil		Nil		

**(b) Details of CSR amount spent against ongoing projects for the financial year.**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl No.	Name of the project	Item from list of activities in Schedule VII of the Act	Local Area (Yes/ No)	Location of the project		Project duration	Amt allocated for the project (in Lakhs)	Amt spend in the current financial year (in Lakhs)	Amt transfer to unspent CSR account for the Project as per section 135(6) (in Lakhs)	Mode of implementation - Direct (yes / No)	Mode of implementation through implementation agency	
				State	District						Name	CSR registration number
	N.A.											

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Amount spent for the project (in INR Lakhs)	Mode of implementation on -Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1	Educational	135(ii)	No	Majorly Gujarat and Across India	N.A.	339.75	Direct	N.A.	N.A.
2	Medical	135(i)	No	Gujarat	N.A.	181.80	Direct	N.A.	N.A.
3	Environmental sustainability	135(iv)	No	Gujarat	N.A.	13.95	Direct	N.A.	N.A.
4	Rural Development	135(x)	No	Gujarat	N.A.	19.39	Direct	N.A.	N.A.
5	Promoting Sports	135 (vii)	No	Gujarat	N.A.	8.70	Direct	N.A.	N.A.
6	Cultural	135(v)	No	Gujarat	N.A.	1.54	Direct	N.A.	N.A.
	<b>TOTAL</b>					<b>565.13</b>			

## ANNEXURE V (contd.)

- (d) **Amount spent in Administrative Overheads:** INR 25.20 Lakhs
- (e) **Amount spent on Impact Assessment, if applicable:** N.A.
- (f) **Total amount spent for the Financial Year (8b+8c+8d+8e):** INR 590.33 Lakhs
- (g) **Excess amount for set off, if any:**

Sl. No.	Particular	Amount (in INR Lakhs)
(i)	Two percent of average net profit of the Company as per section 135(5)	572.30
(ii)	Total amount spent for the Financial Year	590.33
(iii)	Excess amount spent for the financial year [(ii)-(i)]	18.03
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	18.03

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

Sr. No.	Preceding Financial Year	Amount Transferred to Unspent CSR Account under Section 135(6) (INR in Lakhs)	Amount spent in the Reporting Financial Year (INR in Lakhs)	Amount Spent to any Specified Fund mentioned in Schedule VII as per Section 135(6), if any			Amount remaining to be spent in remaining Financial Years (INR in Lakhs)
				Name of the Fund	Amount (INR in Lakhs)	Date of Transfer	
1	2022-23	N.A.	N. A.	N. A.	Nil	N.A.	N.A.
2	2021-22	N.A.	N. A.	N. A.	Nil	N.A.	N.A.
3	2020-21	N.A.	N. A.	N. A.	Nil	N.A.	N.A.
4	2019-20	N.A.	N. A.	N. A.	Nil	N.A.	N.A.
	<b>TOTAL</b>	<b>N.A.</b>	<b>N. A.</b>	<b>N. A.</b>	<b>Nil</b>	<b>N.A.</b>	<b>N.A.</b>

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total Amt allocated for the project (in INR Lakhs)	Amt spent on the project in the reporting financials year	Cumulative amt spent at the end of the reporting financial year	Status of the project - Completed / ongoing
	N.A.							
	Total							

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):** N.A.

- (a) Date of creation or acquisition of the capital asset(s)
- (b) Amount of CSR spent for creation or acquisition of capital asset
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)

11. **Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5)** : N.A.

Date: 23<sup>rd</sup> May 2024  
Place: Ahmedabad

**Sudhir Vaid**  
Managing Director  
DIN: 00055967

**Ankur Vaid**  
Chairman of CSR Committee  
DIN: 01857225



# ANNEXURE VI

## FORM NO. MR- 3

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31 March 2024

[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

#### **Concord Biotech Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Concord Biotech 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 my opinion thereon.

Based on our verification of the 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, we hereby report that in our opinion, the Company, during the audit period covering the financial year ended on 31<sup>st</sup> March 2024 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 31<sup>st</sup> March 2024 and verified the provisions of the following acts and regulations and also their applicability as far as the Company is concerned during the period under audit:

- 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) The 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 to the extent of their applicability to the Company;
- 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) Regulation, 2015
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) Securities And Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Debt Securities) Regulations, 2021;
  - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

We have also examined compliance with applicable clauses of the following

1. Secretarial Standards issued by the Institute of Company Secretaries of India.
2. Provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



## ANNEXURE VI (contd.)

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

We further report that:

- i) The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors.
- ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and 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.
- iii) All decisions at Board Meetings & Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or the Committees of the Board, as the case may be.

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

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

Place: Ahmedabad  
Date: 23<sup>rd</sup> May, 2024

For, **Ashish Shah & Associates**

**Ashish Shah**

Company Secretary in practice

FCS No. 5974

C P No.: 4178

UDIN: F005974F000428451

This report is to be read with our letter of even date which is annexed as Annexure - A and forms an integral part of this report.

# CORPORATE GOVERNANCE REPORT

(Pursuant to Schedule V of the Securities and Exchange Board of India

(Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended 31<sup>st</sup> March 2024)

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company believes in simple, moral, accountable, responsive and transparent policies to attain the highest standards of Corporate Governance by ensuring transparency in all its actions, operations and to maximise values of its stakeholders. The Company recognises its responsibility towards all its stakeholders and therefore constantly endeavours to create and enhance their wealth and value by implementing its business plans at appropriate times and thus taking maximum advantage of available opportunities to benefit the Company, its stakeholders and society at large.

## 2. BOARD OF DIRECTORS:

The Board of Directors comprises of Nine Directors out of which Two Directors are Executive Directors and Seven Directors are Non-Executive Directors. Out of Seven Non-Executive Directors, Five directors are Independent Directors.

### A. Board Meetings:

The Company places before the Board all the relevant and necessary information at their meetings for the information of the Board. During the year 8 (Eight) Board Meetings were held on 3<sup>rd</sup> May 2023, 1<sup>st</sup> July 2023, 17<sup>th</sup> July 2023, 27<sup>th</sup> July 2023, 9<sup>th</sup> August 2023, 6<sup>th</sup> September 2023, 8<sup>th</sup> November 2023 and 8<sup>th</sup> February 2024. The time gap between the two meetings did not exceed one hundred and twenty days.

### B. Composition and attendance of each director at the meetings of the Board and the last Annual General Meeting:

Sr. No.	Name of Director	Category & Designation	No. of shares held	No. of board meetings attended out of 8	Last AGM attendance (Yes/No)	No. of other Directorship	No. of Committee Membership / Chairman in other domestic companies		List of Directorship held in other listed Companies and category of Directorship
							Chairman	Member	
1	Mr. Sudhir Vaid	Promoter-Chairman & Managing Director	3,01,69,524	8	Yes	0	0	0	Nil
2	Mr. Ankur Vaid	Promoter-Jt. Managing Director and CEO	5,86,520	8	Yes	0	0	0	Nil
3	Mr. Ravi Kapoor	Non Executive-Director	2,20,000	8	Yes	9	2	5	Sanghi Industries Limited – Non Executive Independent Director
4	Mr. Rajiv Agarwal	-Non Executive Director	1,30,482	8	Yes	7	0	3	<ul style="list-style-type: none"> <li>• Nazara Technologies Ltd- Non Executive Independent Director</li> <li>• Aptech Limited- Non Executive Independent Director</li> </ul>
5	Mr. Amitabh Thakore	Independent-Non Executive Director	-	6	Yes	1	0	0	Nil
6	Mrs. Bharti Khanna	Independent-Non Executive Woman Director	-	8	No	1	0	0	Nil

## CORPORATE GOVERNANCE REPORT (contd.)

Sr. No.	Name of Director	Category & Designation	No. of shares held	No. of board meetings attended out of 8	Last AGM attendance (Yes/No)	No. of other Directorship	No. of Committee Membership / Chairman in other domestic companies		List of Directorship held in other listed Companies and category of Directorship
							Chairman	Member	
7	Mr. Arvind Agarwal	Independent –Non-Executive Director	1,103	8	No	2	0	0	Gujarat Small Industries Corpn Limited (Under Liquidation) – Nominee Director
8	Mr. Jayaram Easwaran	Independent –Non-Executive Director	-	8	No	1	2	2	Jindal Stainless Ltd- Non Executive Independent Director
9	Mr. Mandayan Chakravarthy Sriraman	Independent –Non-Executive Director	-	7	No	0	0	0	Nil

\* This relates to Committee referred under Regulation 18,19 & 20 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, viz. Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee.

None of the Directors are related to the other Directors or to any other employee of the Company except Mr. Sudhir Vaid and Mr. Ankur Vaid. Mr. Ankur Vaid is son of Mr. Sudhir Vaid.

During the year Mr. Anil Katiyal, Independent Director, Mr. Utpal Sheth, Non executive director and Mr. Amit Varma, Non executive Director resigned from the board of director.

**C. Directors' interest in the Company:**

- None of the Non-Executive Directors of the Company have any pecuniary relationships or transactions with the Company except payment of Director Sitting Fees.
- The Non-Executive Directors of the Company are highly respected and accomplished professionals in the corporate and academic world.
- There is no compensation package for Non-Executive Directors.
- There is no Nominee Director on the board as on 31<sup>st</sup> March 2024.
- All the information required to be furnished to the Board was made available to them along with detailed agenda notes.
- The familiarisation programmes imparted to Independent Directors as required under the Listing Regulations are undertaken from time to time. Details of such programmes are available on website of the Company at web link <https://www.concordbiotech.com/public/assets/pdf/Concord-Biotech-Limited-Policy-for-Familiarisation-Programme-for-Independent-Directors.pdf>

**List of Matrix / chart of special skills:**

As required under the provisions of Schedule V(C)(2)(h) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Board of Directors has identified the core skills / expertise / competencies as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board as follows:

Sr. No.	Name of Directors	Skills/Expertise identified by the Board	Specialisation
1	Mr. Sudhir Vaid	Specialisation in Biotechnology	Biotechnology
2	Mr. Ankur Vaid	Finance	Finance
3	Mr. Ravi Kapoor	Practicing company secretary	Legal Advisor
4	Mr. Rajiv Agarwal	Business	Business



**CORPORATE GOVERNANCE REPORT (contd.)**

<b>Sr. No.</b>	<b>Name of Directors</b>	<b>Skills/Expertise identified by the Board</b>	<b>Specialisation</b>
5	Mr. Amitabh Thakore	Consulting	Master of Business Administration
6	Mrs. Bharti Khanna	Specialisation in Marketing Management	Marketing Management
7	Mr. Arvind Agarwal	Business	Business
8	Mr. Jayaram Easwaran	Business	Business
9	Mr. Mandayan Chakravarthy Sriraman	Doctor of Philosophy	Doctor of Philosophy

None of the Non-Executive Directors of the Company is holding any equity shares of the Company except Mr. Ravi Kapoor, Mr. Rajiv Agarwal and Mr. Arvind Agarwal.

**D.** The Board of Directors be and is hereby confirm that, the Independent Directors fulfil the conditions specified in these regulations and are Independent of the Management.

**E.** During the year Mr. Anil Katiyal, Mr. Utpal Sheth and Mr. Amit Varma resigned from the board of director. Mr. Anil Katiyal, Independent Director had resigned before the expiry of his tenure due to personal reason and he had confirmed that there were no other material reason other than those provided by him. Mr. Utpal Sheth, Non Executive Director had resigned due to preoccupation and he had confirmed that there were no other material reason other than those provided by him Dr. Amit Verma, Non Executive Director had voluntarily resigned as Helix Investment Holding Pte. Limited had take exit through Initial Public Offer (IPO) from offer for sale (OFS).

**F. Board membership criteria:**

The Company inducts eminent individual from diverse fields as Directors on its Board. The Nomination and Remuneration Committee works with the entire Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual members. Members are expected to possess the required qualifications, integrity, expertise and experience for the position. They should also possess deep expertise and insights in sectors/ areas relevant to the Company, and ability to contribute to the Company's growth.

**3. AUDIT COMMITTEE:**

The Audit Committee of the Company comprises of three Independent Directors of the Company. Mr. Amitabh Thakore, Chairman, Mr. Jayaram Easwaran, and Mr. Arvind Agarwal are members of Audit

Committee. Mr. Amitabh Thakore, Chairman, of Audit Committee was present at last Annual General Meeting of the Company.

The terms of reference and powers of the Audit Committee are in compliance with the provisions of the Corporate Governance – Chapter III Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. Minutes of the Committee meetings are circulated and placed at the Board meetings.

**(A) The role and responsibilities of the Audit Committee are as under:**

- (1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) matters required to be included in the Director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;



## CORPORATE GOVERNANCE REPORT (contd.)

- (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report;
- (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  - (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - (8) approval or any subsequent modification of transactions of the listed entity with related parties;
  - (9) scrutiny of inter-corporate loans and investments;
  - (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
  - (11) evaluation of internal financial controls and risk management systems;
  - (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) discussion with internal auditors of any significant findings and follow up there on;
  - (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - (18) to review the functioning of the whistle blower mechanism;
  - (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
  - (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee;
  - (21) reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
  - (22) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- (B) The audit committee shall mandatorily review the following information:**
- (1) management discussion and analysis of financial condition and results of operations;

**CORPORATE GOVERNANCE REPORT (contd.)**

- (2) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (3) internal audit reports relating to internal control weaknesses; and
- (4) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (5) statement of deviations:
- (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- (b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

During the year 5 (five) meetings of the Audit Committee were held on 1<sup>st</sup> July 2023, 17<sup>th</sup> July 2023, 6<sup>th</sup> September 2023, 8<sup>th</sup> November 2023 and 8<sup>th</sup> February 2024 and attendance of each member of Audit Committee at Audit Committee Meetings are as mentioned below:

Name of Member	Category	Designation	No. of Audit Committee Meetings Attended
Mr. Amitabh Thakore	Independent Director	Chairman	4
Mr. Jayaram Easwaran	Independent Director	Member	3
Mr. Arvind Agarwal	Independent Director	Member	5
Mr. Amit Varma (Resigned on 18 <sup>th</sup> August 2023)	Non Executive Director	Member	1

**4. NOMINATION AND REMUNERATION COMMITTEE:**
**Brief description of terms of reference:**

The terms of reference of the Nomination and Remuneration Committee are as per Section 178 of the Companies Act, 2013 and as per the requirements of Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The policy is framed by the Nomination and Remuneration Committee and approved by the Board. The terms and conditions for appointment are disclosed at the website of the Company at [www.concordbiotech.com](http://www.concordbiotech.com) and weblink for the same is <https://www.concordbiotech.com/public/assets/pdf/Concord-Biotech-Limited-Nomination-and-Remuneration-Policy.pdf>

**Composition, Meetings & Attendance:**

Nomination and Remuneration Committee of the Company comprises of 3 Directors, all of whom are Non-Executive Independent Directors. During the year under review, 2 (two) meeting of the Nomination & Remuneration Committee were held on 1<sup>st</sup> July 2023 and 8<sup>th</sup> November 2023.

The Composition and attendance is as under:

Name of Member	Category	Designation	No. of Nomination and Remuneration Committee Meetings Attended
Mr. Amitabh Thakore	Independent Director	Chairman	2
Mrs. Bharti Khanna	Independent Director	Member	2
Mr. Mandayam Chakravarthy Sriraman	Independent Director	Member	2

The performance of each Independent Director is evaluated by the committee and entire Board of Directors (in the absence of the director being evaluated) on the basis of engagement, leadership, analysis, decision making, communication, governance, interest of stakeholders, etc. The performance evaluation criteria for Independent Directors is mentioned and uploaded on website of the Company [www.concordbiotech.com](http://www.concordbiotech.com)

## CORPORATE GOVERNANCE REPORT (contd.)

### Role of the Nomination and Remuneration Committee is as under:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- (2) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - (a) use the services of an external agencies, if required;
  - (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - (c) consider the time commitments of the candidates.
- (3) formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- (4) devising a policy on diversity of Board of Directors;
- (5) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- (6) whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- (7) recommend to the board, all remuneration, in whatever form, payable to senior management.

### Senior Management:

#### Particulars of senior management including the changes therein since the close of the previous financial year.

There are no changes in senior management since the close of the previous financial year. The senior

Management of the Company are as follows:

Sr. No	Name of the Senior Management	Designation
1	Mr. Lalit Sethi	Chief Financial Officer
2	Mr. Prakash Sajnani	Asst. Vice President- Finance & Company Secretary
3	Mr. Devang Bhatt	Vice-President of Sales and Marketing
4.	Mr. Manoj Kumar	Vice-President of Formulation
5.	Sundeep Bengani	General Manager, International Business Development

Nomination and Remuneration Policy and details of remuneration paid / payable to the Directors for the year ended 31<sup>st</sup> March 2024:

The Board of Directors approved the Nomination and Remuneration Policy on the recommendation of Nomination and Remuneration Committee.

#### The salient aspects of the Policy are outlined below:

##### (i) Objectives:

- 1) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel;
- 2) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board; and
- 3) To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management Personnel.

##### (ii) Remuneration to Non-Executive and Independent Director:

- 1) Non-Executive and Independent Directors may receive remuneration/ commission as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.
- 2) Non-Executive and Independent Directors may receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall



**CORPORATE GOVERNANCE REPORT (contd.)**

limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Independent Director shall be entitled to reimbursement of expenses for participation in the Board and other meeting.

- 3) Non-Executive and Independent Directors may receive commission within the monetary limit approved by shareholders, subject to permissible limit as per the applicable provisions of the Companies Act, 2013.
- 4) An Independent Director shall not be entitled to any stock option of the Company.
- 5) Company's remuneration policy is guided by a common reward framework and set of principles and objectives as particularly envisaged under section 178 of the Companies Act 2013, inter alia, principles pertaining to determining qualifications, positives attributes, integrity and independence etc.

- 6) Apart from the above, there are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors except those disclosed in the financial statements for the year ended on 31<sup>st</sup> March 2024.

**(iii) Remuneration to CEO & Managing Director:**

Mr. Sudhir Vaid is Chairman & Managing Director of the Company and Mr. Ankur Vaid is Jt. Managing Director and CEO of the Company. On the recommendation of the Nomination and Remuneration Committee, the Board of Directors approved the remuneration payable to Mr. Sudhir Vaid and Mr. Ankur Vaid, fixed by shareholders as per the resolution passed at 38<sup>th</sup> Annual General Meeting of the Company. As per the recommendation of the Nomination and Remuneration Committee, Mr. Sudhir Vaid is Chairman & Managing Director and Mr. Ankur Vaid is Jt. Managing Director and CEO were paid remuneration during the financial year ended on 31<sup>st</sup> March 2024 as below:

(INR In Lakhs)						
Particulars	Salary	Perquisites	Commission	Others	Total	Notice Period and Severance Fees
Mr. Sudhir Vaid	480.00	-	-	-	480.00	Nil
Mr. Ankur Vaid	276.00	-	-	-	276.00	Nil

**(iv) Remuneration to Senior Management Employees:**

The Managing Director with the help of the Human Resources Department, carry out the individual performance review based on the standard appraisal matrix and after taking into account the appraisal score card and other factors like – Key Performance Area v/s initiatives, balance between fixed and variable pay, fixed components and perquisites and retirement benefits, criticality of roles and responsibilities, industry benchmarks and current compensation trends in the market. Further, any promotion at a senior level management is approved by the Management based on a predetermined process and after accessing the candidates' capability to shoulder higher responsibility.

**(v) Service Contracts:-** No

**(vi) Notice Period:-** 3 Months

**(vii) Severance Fees:-** Nil

**(viii) Stock Option:**

The Company does not have any stock option scheme for its Directors or employees. Moreover, there is no separate provision for payment of severance fees to the Directors.

**5. STAKEHOLDERS RELATIONSHIP COMMITTEE:**
**Terms of Reference:**

The terms of reference of the Committee include the following:

- a) To resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;

## CORPORATE GOVERNANCE REPORT (contd.)

- b) To review measures taken for effective exercise of voting rights by shareholders;
- c) To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- d) To review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
- e) Carrying out such other functions as may be specified by the Board from time to time or

specified/provided under the Companies Act, 2013 or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended or by any other regulatory authority."

The Stakeholder Relationship Committee comprises of Two Non-Executive Directors and one Independent Director. The Committee oversees the share transfers as well as takes care of investor grievances.

During the year 1 (one) meeting of Stakeholder Relationship Committee were held on 8<sup>th</sup> February 2024.

The members of the Company's Stakeholders Relationship Committee are:

Name of Member	Category	Designation	No. of Stakeholder Relationship Committee Meetings Attended
Mr. Rajiv Ambrish Agarwal	Non- Executive Director	Chairman	1
Mr. Jayaram Easwaran	Independent Director	Member	1
Mr. Ravi Kapoor	Non- Executive Director	Member	1

- Name and Designation of Compliance Officer: Mr. Prakash Sajnani, Asst. Vice President- Finance & Company Secretary
- Number of shareholders complaints received, solved and pending complaints:

No. of Complaints received	No. of Complaints not solved to the satisfaction of shareholders	No. of Complaints pending
973	0	0

**Other committees:**

During the year under review, one meeting of Independent Directors was held on 8<sup>th</sup> February 2024 and two meetings of Corporate Social Responsibility Committee were held on 17<sup>th</sup> July 2023 and 8<sup>th</sup> February 2024.

**Risk management committee:-**

The terms of reference of the Risk Management Committee shall include the following:

1. To formulate a detailed risk management policy which shall include:
  - a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee;

b) Measures for risk mitigation including systems and processes for internal control of identified risks; and

c) Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken; and

**CORPORATE GOVERNANCE REPORT (contd.)**

6. The appointment, removal and terms of remuneration of the chief risk officer (if any) shall be subject to review by the Risk Management Committee."
7. To carry out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, 2013 or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended or by any other regulatory authority."

During the year under review, one meeting of Risk management committee was held on 8<sup>th</sup> February 2024.

The members of the Company's Risk Management Committee are:

Name of Member	Category	Designation	No. of Risk Management Committee Meetings Attended
Mr. Ankur Vaid	Executive Director	Chairman	1
Mr. Amitabh Thakor	Independent Director	Member	1
Mr. Ravi Kapoor	Non- Executive Director	Member	1

**6. GENERAL MEETING:**
**i) Annual General Meeting (AGM): -**

The date and time of annual general meetings held during last three years and the special resolution(s) passed there at, are as follows:

Meeting No.	Financial Year	Date and Time	Venue	Special Resolution passed
36 <sup>th</sup>	2020-21	Monday, 13 <sup>th</sup> September 2021 At 11:00 A.M.	Registered office of the Company located at 1482-86, Trasad Road, Dholka, Dist. Ahmedabad- 382 225	Reappointment of Mr. Ankur Vaid (DIN 01857225) as Jt. Managing Director and CEO of the Company w.e.f. 1 <sup>st</sup> June 2021 for a period of 3 years.
37 <sup>th</sup>	2021-22	Monday, 29 <sup>th</sup> August 2022 At 11:00 A.M.	Registered office of the Company located at 1482-86, Trasad Road, Dholka, Dist. Ahmedabad- 382 225	<ul style="list-style-type: none"> <li>• Revision of the remuneration of Mr. Sudhir Vaid (DIN 00055967), Chairman &amp; Managing Director of the Company.</li> <li>• Revision of the remuneration of Mr. Ankur Vaid (DIN 01857225), Jt. Managing Director and CEO of the Company.</li> <li>• Continuing the term of appointment of Mr. Sudhir Vaid, (DIN: 00055967) as Chairman &amp; Managing Director till 31<sup>st</sup> March 2024.</li> </ul>
38 <sup>th</sup>	2022-23	Friday, 7 <sup>th</sup> July 2023 At 11:00 A.M.	Through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")  The Deemed venue was the Registered office of the Company located at Shivarth Ambit, Plot No 142/2, Ramdas Road Off SBR, Near Swati Bungalows, Bodakdev, Ahmedabad, Gujarat-380054	<ul style="list-style-type: none"> <li>• Re-appointment of Mr. Sudhir Vaid, (DIN: 00055967) Chairman &amp; Managing Director with effect from 1<sup>st</sup> April 2024 to 31<sup>st</sup> March 2029 for a period of 5 years.</li> <li>• Re-appointment of Mr. Ankur Vaid (DIN 01857225) as a Jt. Managing Director and CEO of the Company w.e.f. 1<sup>st</sup> June 2024 to 31<sup>st</sup> May 2029 for a period of 5 years.</li> <li>• Adoption of amended set of Articles of Association to incorporate the observations issued by the Securities and Exchange Board of India on the draft red herring prospectus dated 12<sup>th</sup> August 2022.</li> </ul>



## CORPORATE GOVERNANCE REPORT (contd.)

### ii) Extra-Ordinary General Meeting (EGM)/Postal Ballot Resolution:

During the financial year 2023-24, the Company has not passed any Resolution through Postal Ballot. Further, Company is also not proposing to pass any special resolution through postal ballot for the current financial year.

During the year under review, No Extra Ordinary General Meeting was convened.

Sr. No.	Particulars of Resolution	Type of Resolution
1	Nil	Nil
2	Nil	Nil

## 7. MEANS OF COMMUNICATION:

Quarterly / Annual Results: The quarterly / half-yearly / annual financial results as required under Regulation 33 of the Listing Regulations have been intimated to the Stock Exchanges and published in the newspaper- 'The Financial Express' (English & Gujarati editions). Further, the said are also available at the website of the Company i.e. [www.concordbiotech.com](http://www.concordbiotech.com)

News releases, presentations and others: Official news releases and official media releases are sent to Stock Exchanges and are put on the Company's website.

Information on the website of the Company: The Company is in compliance of Regulation 46 of the Listing Regulations. On the website of the Company ([www.concordbiotech.com](http://www.concordbiotech.com)), a separate section under 'Investors' tab has been created, where Company disseminates information and various announcements made by the Company are available.

Presentations to institutional investors / analysts: The transcript of the conference calls for Results, presentations made to institutional investors and financial analysts are intimated to the Stock Exchanges and are put on the Company's website i.e. [www.concordbiotech.com](http://www.concordbiotech.com).

## 8. DISCLOSURES:

### i) Disclosures on materially significant related party transactions:

Transactions with related parties, as per the requirements of Ind AS 24, are disclosed in notes to accounts annexed to the financial statements.

The Company does not have any related party transaction, which may have potential conflict

with the larger interest of the Company. The related party transactions entered during the year are disclosed in the notes to the accounts in this Annual Report.

The Policy on Related Party Transactions of the Company for determining the materiality of related party transactions and also on the dealings with related parties. This Policy has been placed on the Company's official website at the web-link <https://www.concordbiotech.com/public/assets/pdf/Concord-Biotech-Limited-Policy-on-Related-Party-Transactions.pdf>

Policy for determination of "Material Subsidiaries" and Policy for dealing with "Related Party Transaction" has been posted on company's website: <https://www.concordbiotech.com> and weblink for the same is <https://www.concordbiotech.com/public/assets/pdf/Concord-Biotech-Limited-Policy-on-Material-Subsidiaries.pdf>

### ii) Code of Conduct:

The Code of Conduct for all Board Members and Senior Management of the Company has been prescribed by the Company.

### iii) Certification under Regulation 17(8):

The Managing Director and Chief Financial Officer of the Company have furnished the requisite certificate to the Board of Directors under Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

### iv) Cases of Non-compliance / Penalties:

No case of Non-compliance/ penalty is filed against the Company.

### v) Details of compliances with the Code of Conduct/ Ethics:

All the mandatory requirements of Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the listing regulations have been complied with by the Company.

### vi) The Company does not have any demat suspense account/unclaimed suspense account and therefore, the details pertaining the same are not given.



**CORPORATE GOVERNANCE REPORT (contd.)**
**9. GENERAL SHAREHOLDER INFORMATION:**

(i)	Annual General Meeting Day, Date, Time and Venue	Day : Saturday Date: 29 <sup>th</sup> June 2024 Time: 04:00 p.m. Venue : through VC or OAVM
(ii)	Financial Year	1 <sup>st</sup> April 2023 to 31 <sup>st</sup> March 2024
(iii)	Book Closure Dates	Sunday, 23 <sup>rd</sup> June, 2024 to Saturday, 29 <sup>th</sup> June, 2024
(iv)	Dividend Payment Date	Dividend declared by the shareholders in this 39 <sup>th</sup> Annual General Meeting will be paid within 30 days of declaration i.e. on or before 29 <sup>th</sup> July, 2024
(v)	ISIN No. for ordinary shares of the Company in Demat form	INE338H01029
(vi)	Registered Office	1482-1486, Trasad Road, Dholka, Dist. Ahmedabad-382225
(vii)	Registrar and Transfer Agent	Link Intime India Pvt. Ltd. C 101, Embassy 247, L.B.S.Marg, Vikhroli (West), Mumbai - 400083. Email – <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>
(vii)	Investor Correspondence	16 <sup>th</sup> Floor, B-Wing, Mondeal Heights, Iscon Cross Road, S.G. Highway, Ahmedabad - 380015, Gujarat, India.
(ix)	Plant Location	1. Unit I -1482 - 1486, Trasad Road, Dholka - 382225, Ahmedabad, Gujarat, India. 2. Unit II - 297 - 298/2p, At. Valthera., Tal. Dholka, Dist., Ahmedabad - 382225, Gujarat, India. 3. Unit III - Plot No.84 and 668, Ranasar and Malawada, Limbasi Sojitra Road, Near Limbasi, Taluka - Matar, Kheda, Gujarat 387520 India.
(x)	Any Website where it displays official releases	<a href="https://www.concordbiotech.com/">https://www.concordbiotech.com/</a>
(xi)	Any presentation made to the institutional investor and analyst	Displayed on website of the Company.
(xii)	Is half yearly report sent to the shareholders	No
(xiii)	Whether Management Discussion and Analysis is a part of this report	The said report is part of the Annual Report.
(xiv)	Share Transfer System	Share Transfer Agent is responsible for entire functions of share registry, both for physical transfers as well as dematerialisation / rematerialisation of shares, issue of duplicate / split / consolidation of shares etc.
(xv)	Auditors for the FY 2023-24 and Proposed Auditors for the FY 2024-25	Existing - M/s Deloitte Haskins & Sells LLP Proposed - M/s BSR & Co. LLP
(xvi)	Compliance Officer	Mr. Prakash Sajnani
(xvii)	Company Secretary	Mr. Prakash Sajnani
(xviii)	Whether securities are suspended from trading	No



## CORPORATE GOVERNANCE REPORT (contd.)

**Listing on Stock Exchange(s):**

Your Company's Shares are listed on

Sr. No.	Name of Stock Exchange	Address of Stock Exchange	Symbol/Code
1.	National Stock Exchange of India	Plot No. C/1 G Block, Bandra-Kurla Complex, Bandra (East), Mumbai -400 051	CONCORDBIO
2.	BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street Mumbai- 400001	543960

Notes:

- a. Annual Listing fees for the FY 2023-24 have been duly paid to both the stock exchange(s) i.e. BSE Ltd. and National Stock Exchange of India Ltd.

**Market Price Data & Stock Performance:**

Month	BSE Limited		National Stock Exchange of India Limited		BSE Sensex	
	Month's High Price	Month's low Price	Month's High Price	Month's low Price	High	Low
Aug-23	1022.00	900.00	1022.35	900.05	66,658.12	64,723.63
Sep-23	1090.00	952.05	1090.10	958.70	67,927.23	64,818.37
Oct-23	1258.00	1050.05	1259.00	1051.00	66,592.16	63,092.98
Nov-23	1397.95	1126.45	1397.05	1125.55	67,069.89	63,550.46
Dec-23	1534.80	1277.75	1539.90	1289.00	72,484.34	67,149.07
Jan-24	1608.20	1356.50	1607.00	1355.15	73,427.59	70,001.60
Feb-24	1534.35	1370.15	1535.65	1370.55	73,413.93	70,809.84
Mar-24	1595.00	1350.00	1597.80	1350.05	74,245.17	71,674.42

**Categories of Shareholding Pattern as on 31<sup>st</sup> March 2024:**

Sr. No.	Category	No. of shares held	% of shareholding
1	Promoters	4,13,64,356	39.54
2	Trusts	2,53,29,773	24.21
3	Public	76,46,340	7.31
4	FPI (Corporate) – I	63,35,124	6.06
5	Overseas Corporate Bodies	56,40,536	5.39
6	Mutual Funds	53,82,705	5.15
7	Corporate Bodies (Promoter Company)	47,52,000	4.54
8	Insurance Companies	30,14,353	2.88
9	Non Resident (Non Repatriable)	21,25,102	2.03
10	Other Bodies Corporate	16,55,643	1.58
11	FPI (Corporate) - II	4,45,941	0.43
12	Alternate Invst Funds - III	3,96,914	0.38
13	Hindu Undivided Family	1,93,729	0.19
14	Non Resident Indians	1,43,068	0.14
15	Body Corporate - Ltd Liability Partnership	1,30,182	0.12
16	NBFCs registered with RBI	58,878	0.06
17	Clearing Members	1,560	0.00
	<b>GRAND TOTAL</b>	<b>10,46,16,204</b>	<b>100.00</b>

**CORPORATE GOVERNANCE REPORT (contd.)**
**Distribution of Shareholding as on 31<sup>st</sup> March 2024:**

<b>No. of Equity Shares</b>	<b>No. of Folio</b>	<b>% to Total Folios</b>	<b>No. of Shares</b>	<b>% Share Holding</b>
Less than 500	82276	98.18	2422428	2.32
501 to 1000	644	0.77	461466	0.44
1001 to 2000	437	0.52	603022	0.58
2001 to 3000	131	0.16	324700	0.31
3001 to 4000	57	0.07	198721	0.19
4001 to 5000	39	0.05	176961	0.17
5001 to 10000	52	0.06	373109	0.36
10001 & above	167	0.20	100055797	95.64
<b>Total</b>	<b>83803</b>	<b>100.00</b>	<b>104616204</b>	<b>100.00</b>

**10. DEMATERIALISATION OF SHARES AND LIQUIDITY:**

The Company's shares are available for dematerialisation on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shares of the Company are compulsorily traded in the demat form on Stock Exchanges by all investors. As on 31<sup>st</sup> March 2024, total share capital has been dematerialised by investors and all of the transfer takes place in the demat form.

**11. OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS AND CONVERSION DATE AND LIKELY IMPACT ON EQUITY:**

There is no outstanding GDRs/ADRs/Warrants or any convertible instruments.

**12. UNCLAIMED SHARES LYING IN DEMAT SUSPENSE ACCOUNT:**

There are no equity shares lying in the demat suspense accounts or unclaimed suspense account.

**13. SHARES LYING UNDER INVESTOR EDUCATION AND PROTECTION FUND (IEPF) ACCOUNT:**

There are no equity shares of the Company lying under Investor Education and Protection Fund (IEPF) Account as on 31<sup>st</sup> March 2024.

**14. FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:**

In order to reduce the uncertainty arising on account of exchange rate movements and currency movements on forex exchange exposure, the Company has been placed the hedging policy to secure forex exposures either naturally or otherwise, so that the volatility does not impact the core business of the Company.

**15. MANAGEMENT RESPONSIBILITY STATEMENT:**

The Management confirms that the financial statements are in full conformity with requirements of the Companies Act, 2013 and the same have been prepared in accordance with IND-AS, as prescribed under Section 133 of Companies Act, 2013 and rules made thereunder. The Management accepts responsibility for the integrity and objectivity of these financial statements as well as for estimates and judgments relating to matters not concluded by the period end. The management believes that the financial statements of operation reflect fairly the form and substance of transactions and reasonably present the Company's financial condition and the results of operations. The Company has a system of internal control, which is reviewed, evaluated and updated on an ongoing basis. The Internal Auditors have conducted periodic audits to provide reasonable assurance that the Company's established policy and procedures have been followed.

**16. DETAILS OF ESTABLISHMENT OF WHISTLE BLOWER POLICY/ VIGIL MECHANISM:**

The Company has established a vigil mechanism called 'Whistle Blower Policy', for Directors and employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

Accordingly, the Company has established a mechanism for employees vide 'Whistle Blower Policy' which seeks (i) to ensure greater transparency in all aspects of the Company's functioning by formulating a procedure to bring to the attention of Company incidents of improper-activities or violation of the Company's Code of Conduct & Ethics for Board Members and

## CORPORATE GOVERNANCE REPORT (contd.)

Senior Management, and (ii) to provide for adequate safeguards against victimisation of employees who avail of the mechanism.

All Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company. Whistle Blower by virtue of his/her having reported a Protected Disclosure under the policy is fairly protected.

### 17. POLICY FOR DEALING WITH RELATED PARTY TRANSACTIONS:

The policy for dealing with related party transactions has been disclosed at [www.concordbiotech.com](http://www.concordbiotech.com). The weblink for the same is <https://www.concordbiotech.com/public/assets/pdf/Concord-Biotech-Limited-Policy-on-Related-Party-Transactions.pdf>

### 18. CREDIT RATING:

The credit ratings assigned to the Company on 9<sup>th</sup> May 2024 for total bank facilities are as under:

Total Bank loan facilities rated	INR 125.00 Crores
Long term rating	[ICRA]AA- (Stable); reaffirmed
Short Term Rating	[ICRA]A1+; reaffirmed

### 19. SUBSIDIARY COMPANIES:

There is no subsidiary of Concord Biotech Limited as on 31<sup>st</sup> March 2024

Pursuant to provisions of Regulation 27 of SEBI (LODR) Regulations, 2015, The policy on Material Subsidiaries as approved by the Board is uploaded on the Company's website and weblink for same is <https://www.concordbiotech.com/public/assets/pdf/Concord-Biotech-Limited-Policy-on-Material-Subsidiaries.pdf>

### 20. OTHER DISCLOSURES:

#### (a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year were on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with Related Parties during the financial year. Related party transactions have been disclosed under significant

accounting policies and notes forming part of the Financial Statements in accordance with "IND AS". A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval.

#### Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

Apart from mentioned in the point 8(iv), there are no other penalties imposed by the Stock Exchange or SEBI or Statutory Authority during the last three years.

#### (b) Vigil Mechanism/Whistle Blower Policy & Audit Committee:

Pursuant to Section 177(9) & (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimisation of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website viz. [www.concordbiotech.com](http://www.concordbiotech.com). Weblink for the same is <https://www.concordbiotech.com/public/assets/pdf/Concord-Biotech-Limited-Whistle-Blower-Policy.pdf>

(c) The Company has complied with all mandatory requirements laid down by the Regulations 27 of the Listing Obligations and Disclosure Requirements Regulations, 2015. The non-mandatory requirements complied with wherever requires and same has been disclosed at the relevant places.

#### (d) Disclosure of Accounting Treatment:

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act,



**CORPORATE GOVERNANCE REPORT (contd.)**

2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

**(e) Commodity price risk and Commodity hedging activities:**

The Company has adequate risk assessment and minimisation system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/ CIR/P/2018/0000000141 dated 15<sup>th</sup> November 2018.

**(f) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):**  
 Not Applicable

**(g) Company has obtained a 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 Company by the Board/ Ministry of Corporate Affairs or any such statutory authority forms part of this report.**
**(h) Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year:**

Not applicable

**(i) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:**

Details relating to fees paid to the Statutory Auditors are given in Note 33 to the Standalone Financial Statements.

**(j) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

During the year under review, there were no complaint i.e. incidences of sexual harassment reported.

**(k) There is no non-compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of Schedule V read with Regulation 34(3) of SEBI LODR Regulations.**
**(l) The Company does not have any demat suspense account/unclaimed suspense account and therefore, the details pertaining the same are not given.**
**(m) The Company has fully complied with mandatory requirements of the SEBI (LODR) Regulations, 2015.**
**(n) Disclosure of Loans and advances to firms/ Companies in which directors are interested:**

During the year under review the Company has advanced following loans and advances to the firms/companies in which Directors are interested:-

(INR in Lakhs)

Sr. No.	Name of Firm/ Company	Relationship	Loans and advances given during the year	Balance outstanding as on 31 <sup>st</sup> March 2024
1			Nil	

**(o) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:**

Name of Material Subsidiary	Not Applicable
Date of Incorporation	Not Applicable
Place of Incorporation	Not Applicable
Name of Statutory Auditor	Not Applicable
Date of Appointment/Re appointment of Statutory Auditor	Not Applicable

**(p) Non Mandatory Requirements:**

Company has not adopted non mandatory requirements as specified in Part-E of Schedule-II of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015

**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  
CONCORD BIOTECH LIMITED  
1482-86 Trasad Road, Dholka,  
Ahmedabad, Gujarat,  
India, 382225.

We have examined online the relevant registers, records, forms, returns and disclosures received from the Directors of **Concord Biotech Limited** having CIN **L24230GJ1984PLC007440** and having registered office at 1482-86 Trasad Road, Dholka, Ahmedabad, Gujarat, India, 382225. (hereinafter referred to as 'the Company'), produced before us 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 our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Sudhir Vaid	00055967	10/05/2000
2	Mr. Ankur Vaid	01857225	01/09/2011
3	Mr. Ravi Kapoor	00003847	15/12/2003
4	Mr. Rajiv Agarwal	00379990	30/06/2008
5	Mr. Amitabh Thakore	00016715	31/01/2017
6	Mrs. Bharti Khanna	05147844	31/01/2017
7	Mr. Arvind Agarwal	00122921	24/05/2022
8	Mr. Jayaram Easwaran	02241192	14/06/2022
9	Mr. Mandayam Chakravarthy Sriraman	09631555	14/06/2022

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

For, **Ashish Shah and Associates**

Date: 27<sup>th</sup> May 2024  
Place: Ahmedabad

**Ashish Shah**  
Proprietor  
Mem. No. FCS: 5974  
COP No.: 4178  
UDIN: F005974F000454895

**CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
**CONCORD BIOTECH LIMITED**

We have examined the Compliance Conditions of Corporate Governance by **CONCORD BIOTECH LIMITED** for the year ended on 31<sup>st</sup> March 2024 as per Para E of Schedule V read with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 18<sup>th</sup> August 2023 to 31<sup>st</sup> March 2024. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The Compliance of Conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementations 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.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the Management, we certify that the Company has materially complied with the conditions of Corporate Governance as stipulated in Listing Regulations.

We further 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.

Date: 27<sup>th</sup> May 2024  
Place: Ahmedabad

For, **Ashish Shah & Associates**

**Ashish Shah**

Proprietor

Mem. No. FCS: 5974

COP No.: 4178

UDIN: F005974F000454983



## CERTIFICATE OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

We, Mr. Sudhir Vaid, Chairman & Mangaing Director and Mr. Lalit Sethi, Chief Financial Officer of CONCORD BIOTECH LIMITED certify that:

We have reviewed the financial statements and the cash flow statement of the Company for the year ended 31<sup>st</sup> March 2024 and to the best of our knowledge and belief:

- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- ii. 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.
- iii. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March 2024 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- iv. We accept responsibility for establishing and maintaining internal control system and that we have evaluated the effectiveness of the internal control system of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control system, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- v. We further certify that we have indicated to the auditors and the Audit Committee:
  - a. There have been no significant changes in internal control over financial reporting system during the year;
  - b. There have been no significant changes in accounting policies during the year except for the changes disclosed in the note note 1 to 4 of the standalone financial statements; and
  - c. There have been no instances of significant fraud, of which we have become aware, involving management or any employee having a significant role in the Company's internal control system over financial reporting.

**Mr. Sudhir Vaid**

Chairman & Mangaing Director  
(DIN:00055967)

Date: 23<sup>rd</sup> May 2024

Place: Ahmedabad

**Lalit Sethi**

Chief Financial Officer

### DECLARATION

I, Mr. Sudhir Vaid, Chairman & Mangaing Director of Concord Biotech Limited hereby declare that as of 31<sup>st</sup> March 2024 all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct and Ethics for Directors and Senior Management Personnel laid down by the Company.

For and on behalf of the Board of Directors of  
CONCORD BIOTECH LIMITED

**Mr. Sudhir Vaid**

Chairman & Mangaing Director  
(DIN:00055967)

Date: 23<sup>rd</sup> May 2024

Place: Ahmedabad



## ANNEXURE A

To,  
The Members  
**Concord Biotech 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 process 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 correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards 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.

Place: Ahmedabad  
Date: 23<sup>rd</sup> May, 2024

For, **Ashish Shah & Associates**

**Ashish Shah**  
Company Secretary in practice  
FCS No. 5974  
C P No.: 4178

# **FINANCIAL STATEMENTS**

# INDEPENDENT AUDITOR'S REPORT

## To The Members of Concord Biotech Limited

### Report on the Audit of the Standalone Financial Statements

#### OPINION

We have audited the accompanying standalone financial statements of **Concord Biotech Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### BASIS FOR OPINION

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

#### KEY AUDIT MATTER

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. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Revenue Recognition:</b></p> <p>The Company recognises revenue from sale of its products to its customers based on the terms and conditions of transactions which vary with different customers which determine the timing of the transfer of control of the products to the customer. The above was considered to be a key audit matter, since there is a risk of recognition of revenue in an incorrect period given the differing terms with the customers.</p>	<p><b>Principal audit procedures performed included the following:</b></p> <ul style="list-style-type: none"> <li>Evaluated the Company's revenue recognition policy and assessed compliance with the Indian Accounting Standard (Ind AS).</li> <li>Obtained an understanding of the revenue recognition process and tested the design and implementation and operating effectiveness of the company's controls around the timely and accurate recording of sales transactions including controls around the identification and reversal of revenue in cases where it has been determined by the management that the control of goods has not been transferred to the customer.</li> <li>We selected samples from invoices for sales recorded near to year end date and obtained evidence of delivery, customer contracts, underlying invoices and related documents to support the revenue recognition / reversal of revenue as the case may be.</li> <li>Performed analytical procedures on current year revenue based on monthly trends and where required, conducting further enquiries and testing.</li> </ul>



## INDEPENDENT AUDITOR'S REPORT (contd.)

### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report including annexures thereof, Management Discussion and Analysis, Business Responsibility and Sustainability Report and Corporate Governance Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

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

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

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

### AUDITOR'S RESPONSIBILITY 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 financial controls 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 standalone financial statements in place and the operating effectiveness of such controls.

## INDEPENDENT AUDITOR'S REPORT (contd.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls 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 auditor's

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 Section 143(3) of the Act, based on our audit 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 except for not complying with the requirement of audit trail as stated in (i)(vi) below.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.
  - g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.





## INDEPENDENT AUDITOR'S REPORT (contd.)

- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 34(b) 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the 42 (iv) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the 42 (v) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.
- As stated in Note 46 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the financial year ended 31<sup>st</sup> March 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in

**INDEPENDENT AUDITOR'S REPORT (contd.)**

the software except from 1<sup>st</sup> April 2023 to 12<sup>th</sup> June 2023. (Refer Note 45 to the standalone financial statement)

Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with in respect of the accounting software for the period for which the audit trail feature was operating.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1<sup>st</sup> April 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31<sup>st</sup> March 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. : 117365W)

**Hardik Sutaria**  
(Partner)  
(Membership No. 116642)  
(UDIN: 24116642BKDLCK7087)

Place: Ahmedabad  
Date: 23<sup>rd</sup> May 2024



# ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

## Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of **Concord Biotech Limited** ("the Company") as at 31<sup>st</sup> March 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 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.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A company's internal financial control with reference to standalone 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 control with reference to standalone 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 STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (contd.)**

subject to the risk that the internal financial control 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.

**OPINION**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31<sup>st</sup> March 2024, based on the criteria for internal financial control with reference to standalone financial statements

established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No.117365W)

**Hardik Sutaria**  
(Partner)  
(Membership No. 116642)  
(UDIN: 24116642BKDLCK7087)

Place: Ahmedabad  
Date: 23<sup>rd</sup> May 2024



## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) Some of the Property, Plant and Equipment, capital work-in-progress, and right-of-use assets were physically verified during the year by the Management in accordance with programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment, capital work-in-progress and right-of-use assets at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31<sup>st</sup> March 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanation given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the

Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of accounts.

- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of INR 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us including the revised submissions made by the Company to such banks based on closure of books of accounts at the quarter end, the revised quarterly returns or statements comprising stock statements, book debt statements and statements on ageing analysis of the debtors/other receivables filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters.

The Company is yet to submit the quarterly returns or statements comprising stock statements, book debt statements and statements on ageing analysis of the debtors/other receivables for the quarter ended 31<sup>st</sup> March 2024 with banks.

- (iii) The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence sub-clauses iii (a), (b), (c), (d), (e) and (f) under clause (iii) of the Order are not applicable.
- (iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year from public to which directives issued by Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, would apply. Accordingly, the provisions of clause (v) of the Order are not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148 (1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit)



**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT (contd.)**

Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom,

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31<sup>st</sup> March 2024 on account of disputes are given below:

<b>Name of Statue</b>	<b>Nature of the Dues</b>	<b>Amount involved (INR in Lakhs)</b>	<b>Amount unpaid (INR in Lakhs)</b>	<b>Period to which amount relates</b>	<b>Forum where dispute is pending</b>
The Income tax Act, 1961	Income tax	9.43	-	A.Y. 2013-14	The Commissioner of Income tax (Appeals)
The Income tax Act, 1961	Income tax	8.36	8.36	A.Y. 2015-16	The Commissioner of Income tax (Appeals)
The Income tax Act, 1961	Income tax	15.11	0.50	A.Y. 2016-17	The Commissioner of Income tax (Appeals)
The Income tax Act, 1961	Income tax	48.57	42.74	A.Y. 2018-19	The Commissioner of Income tax (Appeals)
The Income tax Act, 1961	Income tax	930.67	930.67	A.Y. 2020-21	Assessing Officer of Income tax
The Income tax Act, 1961	Income tax	42.42	42.42	A.Y. 2020-21	The Commissioner of Income tax (Appeals)
The Central Excise Act, 1944	Excise Duty	376.37	348.15	From January 2015 to June, 2017	The Commissioner of Central Excise (Appeal)

Professional Tax cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities however there have been few delays in respect of remittance of Professional Tax and Advance Tax.

There were no undisputed amounts payable in respect of Provident Fund, Income Tax, Customs Duty, Professional Tax, Goods & Service Tax, cess and other material statutory dues in arrears as at 31<sup>st</sup> March 2024 for a period of more than six months from the date they became payable.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not made any investment in or given any new loan or advances to its joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised loans during the year on the pledge of securities held in its joint ventures.



## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT (contd.)

- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto December 2023 and the final of the internal audit reports where issued after the balance sheet date covering the period January to March, 2024 for the period under audit.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (d) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi) (d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the company during the year.
- (xix) On the basis of the financial ratios, ageing, expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 117365 W)

**Hardik Sutaria**  
(Partner)  
(Membership No. 116642)  
(UDIN: 24116642BKDLCK7087)

Place: Ahmedabad  
Date: 23<sup>rd</sup> May 2024

# STANDALONE BALANCE SHEET

AS AT 31<sup>st</sup> MARCH 2024

(INR in Lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
(a) Property, plant and equipment	5 (A)	57,173.27	59,252.26
(b) Capital work-in-progress	5 (B)	21,148.24	17,269.71
(c) Intangible assets	6	31.97	19.77
(d) Right-of use assets	7	326.34	25.99
(e) Financial assets			
(i) Investments	8 (a)	66.52	78.98
(ii) Other Financial Assets	9	496.95	1,019.51
(f) Other non-current assets	10	797.99	761.95
(g) Income tax assets (Net)	20 (d)	267.12	266.52
<b>Total non-current assets (A)</b>		<b>80,308.40</b>	<b>78,694.69</b>
<b>II. Current assets</b>			
(a) Inventories	11	20,795.38	21,231.47
(b) Financial assets			
(i) Investments	8 (b)	24,370.19	13,693.01
(ii) Trade receivables	12	34,960.89	27,375.76
(iii) Cash and cash equivalents	13 (a)	1,514.21	349.92
(iv) Bank balances other than (iii) above	13 (b)	3,188.23	3,994.77
(v) Other Financial Assets	14	1,944.88	3,659.90
(c) Other Current assets	15	2,849.33	2,465.18
<b>Total current assets (B)</b>		<b>89,623.11</b>	<b>72,770.01</b>
<b>TOTAL ASSETS (A) + (B)</b>		<b>1,69,931.51</b>	<b>1,51,464.70</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	16	1,046.16	1,046.16
(b) Other equity	17	1,51,479.05	1,28,151.88
<b>Total equity (A)</b>		<b>1,52,525.21</b>	<b>1,29,198.04</b>
<b>LIABILITIES</b>			
<b>I. Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	-	623.56
(ii) Lease liabilities	7	188.70	16.38
(b) Provisions	19	195.61	229.66
(c) Deferred tax liabilities (net)	20 (b)	2,806.45	2,343.90
<b>Total non-current liabilities (B)</b>		<b>3,190.76</b>	<b>3,213.50</b>
<b>II. Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	622.98	2,500.00
(ii) Lease liabilities	7	162.08	14.69
(iii) Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		961.54	1,702.27
Total outstanding dues of creditors other than micro enterprises and small enterprises		8,481.99	7,677.73
(iv) Others Financial Liabilities	22	2,420.63	3,134.35
(b) Provisions	19	390.19	2,747.57
(c) Other current liabilities	23	626.75	376.68
(d) Current tax liabilities (net)	20 (d)	549.38	899.87
<b>Total current liabilities (C)</b>		<b>14,215.54</b>	<b>19,053.16</b>
<b>Total Liabilities (D)</b>		<b>17,406.30</b>	<b>22,266.66</b>
<b>TOTAL EQUITY AND LIABILITIES (A) + (D)</b>		<b>1,69,931.51</b>	<b>1,51,464.70</b>
See accompanying notes forming part of the Standalone Financial Statements	1 to 46		

As per our attached report of even date  
For **Deloitte Haskins & Sells**  
Chartered Accountants

For and on behalf of board of directors of  
Concord Biotech Limited  
CIN: L24230GJ1984PLC007440

**Hardik Sutaria**  
Partner

**Sudhir Vaid**  
Chairman & Managing Director  
DIN: 00055967

**Ravi Kapoor**  
Director  
DIN: 00003847

**Lalit Sethi**  
Chief Financial Officer

**Prakash Sajnani**  
Asst. Vice President - Finance &  
Company Secretary

Place: Ahmedabad  
Date: 23<sup>rd</sup> May 2024

Place: Ahmedabad  
Date: 23<sup>rd</sup> May 2024



# STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024

(INR in Lakhs, except per share data)

Particulars	Notes	For the Year ended 31 <sup>st</sup> March 2024	For the Year ended 31 <sup>st</sup> March 2023
<b>INCOME</b>			
Revenue from operations	24	1,01,693.92	85,316.82
Other income	25	3,378.00	3,530.93
<b>TOTAL INCOME</b>		<b>1,05,071.92</b>	<b>88,847.75</b>
<b>Expenses</b>			
Cost of materials consumed	26	18,453.71	16,707.15
Purchases of stock-in-trade		5,673.89	2,876.87
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(1,207.79)	(1,563.20)
Employee benefits expense	28	12,304.67	11,027.85
Finance costs	29	255.19	451.03
Depreciation and amortisation expense	30	5,359.15	5,403.24
Other expenses	31	23,313.73	21,939.40
<b>TOTAL EXPENSES</b>		<b>64,152.55</b>	<b>56,842.34</b>
<b>PROFIT BEFORE TAX</b>		<b>40,919.37</b>	<b>32,005.41</b>
<b>Tax expenses</b>	20		
Current tax		9,983.39	7,953.00
Deferred tax		462.79	238.16
Short / (excess) provision for tax of earlier years		-	1.61
<b>Total tax expenses</b>		<b>10,446.18</b>	<b>8,192.77</b>
<b>PROFIT FOR THE YEAR</b>		<b>30,473.19</b>	<b>23,812.64</b>
<b>Other Comprehensive Income / (loss)</b>			
Items that will not be reclassified to the statement of Profit or Loss			
Re-measurement gain/ (loss) on defined benefit plans		(0.97)	34.41
Income tax relating to re-measurement gain/ (loss) on defined benefit plans		0.24	(8.66)
<b>OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR</b>		<b>(0.73)</b>	<b>25.75</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>30,472.46</b>	<b>23,838.39</b>
Earnings per share (Nominal value per equity share of INR 1 each)			
Basic and diluted (Refer Note 32)		29.13	22.76
See accompanying notes forming part of the Standalone Financial Statements	1 to 46		

As per our attached report of even date  
For **Deloitte Haskins & Sells**  
Chartered Accountants

For and on behalf of board of directors of  
Concord Biotech Limited  
CIN: L24230GJ1984PLC007440

**Hardik Sutaria**  
Partner

**Sudhir Vaid**  
Chairman & Managing Director  
DIN: 00055967

**Ravi Kapoor**  
Director  
DIN: 00003847

**Lalit Sethi**  
Chief Financial Officer

**Prakash Sajjani**  
Asst. Vice President - Finance &  
Company Secretary

Place: Ahmedabad  
Date: 23<sup>rd</sup> May 2024

Place: Ahmedabad  
Date: 23<sup>rd</sup> May 2024

# STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024

(INR in Lakhs)

## A. EQUITY SHARE CAPITAL

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Opening balance	1,046.16	951.06
Changes during the year	-	95.10
<b>Closing Balance</b>	<b>1,046.16</b>	<b>1,046.16</b>

## B. OTHER EQUITY

Particulars	Reserves and Surplus			Total Other Equity
	Retained Earnings	General Reserve	Securities Premium	
<b>Balance as at 1<sup>st</sup> April 2022</b>	<b>98,550.95</b>	<b>2,921.79</b>	<b>8,292.20</b>	<b>1,09,764.94</b>
Profit for the year	23,812.64	-	-	23,812.64
Other comprehensive Income (Net of tax)	25.75	-	-	25.75
<b>Total Other Comprehensive Income</b>	<b>23,838.39</b>	<b>-</b>	<b>-</b>	<b>23,838.39</b>
<b>Transactions recorded directly in equity</b>				
Bonus [Refer Note 16(v)]	-	-	(95.10)	(95.10)
Dividend*	(5,356.35)	-	-	(5,356.35)
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>1,17,032.99</b>	<b>2,921.79</b>	<b>8,197.10</b>	<b>1,28,151.88</b>
Profit for the year	30,473.19	-	-	30,473.19
Other comprehensive Income (Net of tax)	(0.73)	-	-	(0.73)
<b>Total Other Comprehensive Income</b>	<b>30,472.46</b>	<b>-</b>	<b>-</b>	<b>30,472.46</b>
<b>Transactions recorded directly in equity</b>				<b>-</b>
Dividend**	(7,145.29)	-	-	(7,145.29)
<b>Balance as at 31<sup>st</sup> March 2024</b>	<b>1,40,360.16</b>	<b>2,921.79</b>	<b>8,197.10</b>	<b>1,51,479.05</b>

\*Final Dividend of INR 5.12 per equity share for the FY 2021-22.

\*\*Final Dividend of INR 6.83 per equity share for the FY 2022-23.

In terms of our report attached  
 For **Deloitte Haskins & Sells**  
 Chartered Accountants

For and on behalf of board of directors of  
 Concord Biotech Limited  
 CIN: L24230GJ1984PLC007440

**Hardik Sutaria**  
 Partner

**Sudhir Vaid**  
 Chairman & Managing Director  
 DIN: 00055967

**Ravi Kapoor**  
 Director  
 DIN: 00003847

**Lalit Sethi**  
 Chief Financial Officer

**Prakash Sajjani**  
 Asst. Vice President - Finance &  
 Company Secretary

Place: Ahmedabad  
 Date: 23<sup>rd</sup> May 2024

Place: Ahmedabad  
 Date: 23<sup>rd</sup> May 2024





# STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024

(INR in Lakhs)

Particulars	For the Year ended 31 <sup>st</sup> March 2024	For the Year ended 31 <sup>st</sup> March 2023
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax as per Statement of Profit and Loss	40,919.37	32,005.41
Adjustment for:	-	-
Depreciation and amortisation expenses	5,359.15	5,403.24
Interest Income	(304.11)	(444.08)
Finance Cost	255.19	451.03
Interest Subsidy Income	(107.96)	(229.47)
(Reversal) /Provision of doubtful debts, net	66.94	9.24
Excess provision no longer required written back	(3.81)	(175.09)
Profit/loss on sale/discard of Property, plant & equipment	(1.19)	9.40
Net gain on sale of investments	(345.14)	(299.36)
Net gain on financial assets measured at fair value through profit or loss	(1,061.33)	(72.33)
Net unrealised foreign exchange (gain) / loss	222.54	195.35
Loss Due to Fire	-	3.05
<b>Operating Profit before Working Capital Changes</b>	<b>44,999.65</b>	<b>36,856.39</b>
<b>Working Capital Changes:</b>		
(Increase)/Decrease in Inventories	436.09	(1,722.73)
(Increase)/Decrease in trade receivables	(7,865.96)	(4,309.71)
(Increase)/Decrease in other financial assets	489.52	(1,546.67)
(Increase)/Decrease in other assets	(456.23)	(366.43)
Increase/(Decrease) in provisions	(205.83)	2,649.46
Increase/(Decrease) in trade payables	(1,128.66)	988.06
Increase/(Decrease) in other financial liabilities	363.01	149.66
Increase/(Decrease) in other liabilities	250.08	(1,070.19)
	<b>(8,117.98)</b>	<b>(5,228.55)</b>
<b>Cash generated from operations</b>	<b>36,881.67</b>	<b>31,627.84</b>
Direct Taxes paid (Net of Income Tax refund)	(10,334.96)	(7,027.66)
<b>Net cash generated from operating activities</b>	<b>26,546.71</b>	<b>24,600.18</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, plant & equipment and Intangible Assets (including CWIP and capital advance)	(8,568.85)	(14,508.48)
Proceeds from disposal of Property, plant & equipment	17.51	2.53
Purchase of Current Investments	(83,810.00)	(64,309.92)
Proceeds from sale of Current Investment	74,551.74	58,349.04
Interest received	277.28	558.49
Proceeds from /(Deposits in) Bank Deposits (Net) (including margin money deposits)	2,071.39	4,113.33
<b>Net cash used in investing activities</b>	<b>(15,460.93)</b>	<b>(15,795.01)</b>

## STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (Contd.)

(INR in Lakhs)

Particulars	For the Year ended 31 <sup>st</sup> March 2024	For the Year ended 31 <sup>st</sup> March 2023
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Long Term borrowings	(2,500.58)	(2,500.00)
Proceeds / (Repayment) from short term borrowings (Net)	-	(433.72)
Dividend Paid	(7,145.29)	(5,356.35)
Interest Paid	(220.88)	(377.63)
Interest Subsidy Received	139.12	323.56
Principal Payment of Lease Liabilities	(149.78)	(159.61)
Interest paid on Lease Liabilities	(44.08)	(18.19)
<b>Net cash used in financing activities</b>	<b>(9,921.49)</b>	<b>(8,521.94)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>	<b>1,164.29</b>	<b>283.23</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>349.92</b>	<b>66.69</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>1,514.21</b>	<b>349.92</b>

### Reconciliation of Cash and cash equivalents

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Cash and Cash Equivalents:</b>		
Cash on hand	2.73	1.63
Balance with Banks	1,511.48	348.29
<b>Cash and cash equivalents as per Balance Sheet [Refer Note 13(a)]</b>	<b>1,514.21</b>	<b>349.92</b>

### Notes to the standalone cashflow statement

**Note 1:** The cash flow statement has been prepared under the indirect method as set out in Ind AS 7 statement of cash flows.

**Note 2 :** The above statement of cash flows excludes the proceeds received in the share escrow account amounting to INR 1,55,052.08 Lakhs on account of offer for sale made by the selling shareholders. Book running lead manager disbursed INR 1,48,814.66 Lakhs to its selling shareholders and INR 5,669.89 Lakhs to various parties for initial public offer expenses. The remaining funds amounting to INR 567.53 Lakhs which are yet to be paid to the selling shareholders after payments of initial public offer expenses is held in share escrow account.

### Disclosure under para 44A as set out in Ind AS 7 on cash flow statements as under companies (Indian Accounting Standards) Rules, 2015 (as amended)

Particulars	As at 1st April 2023	Cash flows	Non-cash Movement	As at 31 <sup>st</sup> March 2024
Borrowings (including current maturities) (Note - 18)	3,123.56	(2,500.58)	-	622.98
Lease Liability (Note - 7)	31.07	(193.86)	513.57	350.78
Interest accrued but not paid (Note - 22)	25.97	(220.88)	205.30	10.39
<b>Total liabilities from financing activities</b>	<b>3,180.60</b>	<b>(2,915.32)</b>	<b>718.87</b>	<b>984.15</b>



# STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (Contd.)

(INR in Lakhs)

**Disclosure under para 44A as set out in Ind AS 7 on cash flow statements as under companies (Indian Accounting Standards) Rules, 2015 (as amended)**

Particulars	As at 1 <sup>st</sup> April 2022	Cash flows	Non-cash Movement	As at 31 <sup>st</sup> March 2023
Borrowings (including current maturities) (Note - 18)	6,058.58	(2,933.72)	(1.30)	3,123.56
Lease Liability (Note - 7)	190.68	(177.80)	18.19	31.07
Interest accrued but not paid (Note - 22)	36.32	(377.63)	367.28	25.97
<b>Total liabilities from financing activities</b>	<b>6,285.58</b>	<b>(3,489.15)</b>	<b>384.17</b>	<b>3,180.60</b>

See accompanying notes forming part of the Standalone Financial Statements

As per our attached report of even date  
For **Deloitte Haskins & Sells**  
Chartered Accountants

For and on behalf of board of directors of  
Concord Biotech Limited  
CIN: L24230GJ1984PLC007440

**Hardik Sutaria**  
Partner

**Sudhir Vaid**  
Chairman & Managing Director  
DIN: 00055967

**Ravi Kapoor**  
Director  
DIN: 00003847

Place: Ahmedabad  
Date: 23<sup>rd</sup> May 2024

**Lalit Sethi**  
Chief Financial Officer  
Place: Ahmedabad  
Date: 23<sup>rd</sup> May 2024

**Prakash Sajjani**  
Asst. Vice President - Finance &  
Company Secretary

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024

## 1. CORPORATE INFORMATION

Concord Biotech Limited (the Company) is a public limited Company incorporated and domiciled in India, having registered office at 1482-86 Trasad Road, Dholka, Ahmedabad – 382225 and corporate office is located at B-1601 & B-1602, Mondeal Heights, S G highway, Ahmedabad-380051. The Company is engaged in research and development, manufacturing, marketing and selling of pharmaceutical products. The Company's API manufacturing facilities are located at Dholka and Limbasi, and its formulations facility at Valthera in the state of Gujarat, India.

The Company's equity shares have been listed on National Stock Exchange ("NSE") and on BSE Limited ("BSE") on August 18, 2023, by completing Initial Public Offering ("IPO") through offer for sale ("OFS") of 2,09,25,652 equity shares of face value of INR 1 each at an issue price of INR 741 per equity share by Helix Investment Holdings Pte Limited, Singapore ("selling shareholder").

## 2. BASIS OF PREPARATION AND PRESENTATION OF STANDALONE FINANCIAL STATEMENTS

### 2.1. Statement of compliance

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III) (as amended from time to time).

These standalone financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, 31<sup>st</sup> March 2024. These standalone financial statements were authorised for issuance by the Company's Board of Directors on 23<sup>rd</sup> May 2024.

### 2.2. Functional and Presentation Currency

The standalone financial statements are presented in Indian Rupees (INR), the currency of the primary economic environment in which the Company operates. All the amounts are rounded to the nearest rupee Lakhs, unless otherwise indicated. Transaction and balances with values below INR 50,000 have been reflected as "0.00" in standalone financial statements.

### 2.3. Basis of Measurement

#### a) Historical cost convention

The standalone financial statements have been prepared on the historical cost basis (i.e. on accrual basis), except for the following items:

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value or amortised cost and
- Net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligations.

### 2.4. Measurement of Fair Value

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value measurement and/or disclosure purposes in the financial statements is determined on such a basis except for leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 Inventories.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

for overseeing all significant fair value measurements, including Level 3 fair values.

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

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

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

### 2.5. Use of estimates and judgements

The preparation of the standalone financial statements in conformity with Ind AS requires Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

### 2.6. Assumptions and estimation uncertainties:

Key source of estimation of uncertainty at the date of standalone financial statements, which may cause material adjustment to the carrying amount of assets and liabilities within the next financial year, is in respect of:

- Useful lives of property, plant and equipment (Refer note no. 3.1)

- Leases-Company as a lessee (Refer note no. 3.5)
- Valuation of Inventories (Refer note no. 3.6)
- Employee benefits (refer note no.3.8)
- Provisions & Contingent Liabilities (Refer note no. 3.9)
- Recognition of deferred tax assets (Refer note no. 3.12)
- Impairment of financial assets (Refer note no. 3.7)
- Estimate of expected return (Refer note no. 3.11)
- Measurement of ECL allowance for trade and finance receivables. (Refer note no. 3.7.3)

### 2.7. Current versus non-current classification:

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

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

#### Assets

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

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

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

#### Liabilities

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

- it is expected to be settled in the Company's normal operating cycle;



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

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

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

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

### Operating cycle

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

## 3. MATERIAL ACCOUNTING POLICIES

### 3.1. Property, Plant and Equipment

#### i. Recognition and measurement

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and any accumulated impairment losses. The cost of Plant, Property & Equipment comprises of its purchase price, non-refundable taxes & levies, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing cost attributable to financing of acquisition or construction of the qualifying Property, Plant and Equipment is capitalised to respective assets when the time taken to put the assets to use is substantial.

When major items of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. The cost of replacement of any property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefit associated with the item will flow to the Company and its cost can be measured reliably.

Capital work-in-progress comprises cost of Property, Plant and Equipment those are not yet installed and ready for their intended use at the Balance sheet date.

Pre-operative expenditure comprising of revenue expenses incurred in connection with project implementation during the period up to commencement of commercial production are treated as part of the project costs and are capitalised. Such expenses are capitalised only if the project to which they relate, involve substantial expansion of capacity or upgradation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from its use. Difference between the sales proceeds and the carrying amount of the asset is recognised in profit and loss.

#### ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

#### iii. Depreciation

Freehold land is carried at historical cost and not depreciated. Depreciation on Property, Plant and Equipment is provided using straight line method based as per the useful life prescribed in Schedule II to the Companies Act, 2013. Depreciation on assets added / disposed off during the year is provided on pro-rata basis with reference to month of addition / disposal. The estimated useful lives, residual values and depreciation method are reviewed at each financial year-end and changes in estimates, if any are accounted for on a prospective basis. The residual values are not more than 5% of the original cost of asset.

### 3.2. Intangible Assets

#### i. Recognition and measurement

Intangible assets acquired separately are measured at cost of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses if any.

Intangible assets are amortised over the estimated useful life of three years which reflects the manner in which the economic benefit is expected to be generated. The estimated useful life of amortisable intangibles is reviewed at the end of each reporting period and change in estimates if any are accounted for on a prospective basis.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

### ii. Subsequent Expenditure

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

### iii. Amortisation

Intangible assets are amortised on a straight line basis over the estimated useful life.

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

### 3.3. Foreign currency Transaction and Translation

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognised as income or expense of the period in which they arise. Monetary assets and liabilities denominated in foreign currency as at the balance sheet date are translated at the closing rate. The resultant exchange rate differences are recognised in the statement of profit and loss. Non-monetary assets and liabilities are carried at the rates prevailing on the date of transaction.

### 3.4. 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 and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

#### 3.4.1 Financial assets

##### (a) Classification of financial assets:

The Company classifies its financial assets in the following measurement categories:

- those measured at amortised cost.
- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss) and

The classification depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

##### (b) Recognition and initial measurement:

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

##### (c) Subsequent measurement:

###### • Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

###### • Fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.

- **Fair value through profit or loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains / (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

**(d) Derecognition of financial assets:**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset

When the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of financial asset, the financial asset is derecognised if the Company has not retained control over the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**(e) Income recognition:**

Dividend is accounted when the right to receive payment is established.

**(f) Cash and cash equivalents:**

Cash and cash equivalents consists of cash on hand, bank balances, short demand deposits and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value. Short term means investments with original maturities / holding period of three months or less from the date of investments. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

**(g) Investments:**

Investments in mutual funds are primarily held for the Company's temporary cash requirements and can be readily convertible in cash. These investments are initially recorded at fair value and classified as fair value through profit or loss.

**(h) Trade receivables:**

Trade receivables are amounts due from customers for sale of goods or services performed in the ordinary course of business. Trade receivables are initially recognised at its transaction price which is considered to be its fair value and are classified as current assets as it is expected to be received within the normal operating cycle of the business.

### 3.4.2 Financial liabilities

The Company's financial liabilities include trade payables, loans, borrowing and derivative financial instruments.

**(a) Classification:**

All the Company's financial liabilities, except for financial liabilities at fair value through profit or loss, are measured at amortised cost.

**(b) Initial measurement:**

Financial liabilities are initially measured at fair value. Transaction costs that are directly

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### (c) Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate Method. The Effective Interest Rate Method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### (d) Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or waived off or have expired. An exchange between the Company and the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### (e) Borrowings:

Borrowings are initially recorded at fair value and subsequently measured at amortised costs using effective interest rate method. Transaction costs are charged to statement of profit and loss as financial expenses over the term of borrowing.

### (f) Trade payables:

Trade payables are amounts due to vendors for purchase of goods or services acquired in the ordinary course of business and are classified as current liabilities to the extent it is expected to be paid within the normal operating cycle of the business

### 3.4.3 Derivative Financial Instruments:

The Company enters into derivative financial instruments to manage its foreign exchange rate risk. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

## 3.5 Leases – Company as lessee

At inception of a contract, the Company assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified assets 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 contract involves the use of an identified asset, the Company has a right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use and the Company has the right to direct the use of the asset.

At the inception date, right-of-use asset ("ROU") is recognised at cost which includes present value of lease payments adjusted for any payments made on or before the commencement of lease and initial direct cost, if any. It is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. Right-of-use asset ("ROU") is depreciated using the straight-line method from the commencement date over the earlier of useful life of the asset or the lease term. When the Company has purchase option available under lease and cost of right-of-use assets ("ROU") reflects that purchase option will be exercised, right-of-use asset is depreciated over the useful life of underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

At the inception date, lease liability is recognised at present value of lease payments that are not made at the commencement of lease. Lease liability is subsequently measured by adjusting carrying amount to reflect interest, lease payments and remeasurement, if any.

Lease payments are discounted using the incremental borrowing rate or interest rate implicit in the lease, if the rate can be determined.

The Company has elected not to apply requirements of Ind AS 116 to leases that has a term of 12 months or less and leases for which the underlying asset is of low value. Lease payments of such lease are recognised as an expense on straight line basis over the lease term.

### 3.6 Inventories

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

The cost incurred in bringing the inventory to their existing location and conditions are determined as follows:

- (a) Raw Material and Packing Material - Purchase cost of materials on FIFO basis.
- (b) Finished Goods (Manufactured) and work in progress - Cost of purchase, conversion cost, and other costs attributable to inventories.
- (c) Trading goods - Purchase cost on FIFO basis.

The cost of purchase of inventories comprises the purchase price, import duties and other taxes (other than those subsequently recovered by the Company from taxing authorities), and transport, handling and other costs directly attributable to the bringing the inventory to their existing location and conditions. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sales. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

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

Provisions are made towards slow-moving and obsolete items based on historical experience of utilisation on a product category basis, which

consideration of product lines and market conditions.

### 3.7 Impairment of Assets

#### 3.7.1 Financial Assets

At each balance sheet date, the Company assesses whether a financial asset is to be impaired. Ind AS 109 requires expected credit losses to be measured through loss allowance. The Company measures the loss allowance for financial assets at an amount equal to lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for financial assets at an amount equal to 12-month expected credit losses. Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

#### 3.7.2 Non-financial Assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell or 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.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss to such extent. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, such that the increase in the carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit)



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 3.7.3 Presentation of allowance for ECL in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

### 3.7.4 Credit-impaired financial assets

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

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

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

### 3.7.5 Write Off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 3 years past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement

activities in order to comply with the Company's procedures for recovery of amounts due.

## 3.8 Employee Benefits

### 3.8.1 Short term employee benefits

Short term benefits payable before twelve months after the end of the reporting period in which the employees have rendered service are accounted as expense in profit and loss account.

### 3.8.2 Long term employment benefits

#### Defined Contribution Plans

Contributions to defined contribution plans (provident fund and other social security schemes) are recognised as expense when employees have rendered services entitling them to such benefits.

#### Defined Benefit Plans

The Company's net obligation in respect of an approved gratuity plan, which is defined benefit plan, is calculated using the projected unit credit method and the same is carried out by qualified actuary. The current service cost and net interest on the net defined benefit liability (asset) is recognised in the statement of profit and loss. Past service cost are immediately recognised in the statement of profit and loss. Actuarial gains and losses net of deferred taxes arising from experience adjustment and changes in actuarial assumptions are recognised in other comprehensive income in the period in which they arise.

#### Compensated absences and earned leaves

The Company's current policy permit eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company expects to pay as a result of unused entitlement that has accumulated as at the reporting date. The expected cost of these benefits is calculated using the projected unit credit method by qualified actuary every year. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

The liability in respect of all defined benefit plans and other long-term benefits is accrued

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

### 3.9 Contingent liabilities, contingent assets and provisions

#### (a) Contingent liabilities:

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or nonoccurrence of one or

more uncertain future events not wholly within the control of the enterprise are disclosed as Contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

#### (b) Contingent assets:

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

#### (c) Provisions (other than employee benefits):

A provision is recognised when as a result of a past event, the Company has a present obligation whether legal or constructive that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the obligation is expected to be settled more than 12 months after the end of reporting date or has no definite settlement date, the provision is recorded as non-current liabilities after giving effect for time value of money, if material. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

### 3.10 Government Grant

The Company recognises government grants at their fair value only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received.

Government grants received in relation to assets are recognised directly to respective assets for which it is received. Government grants, which are revenue in nature are either recognised as income or deducted in reporting the related expense based on the terms of the grant, as applicable.

### 3.11 Revenue recognition

Revenue is measured based on the transaction price adjusted for discounts and rebates, which is specified in a contract with customer. Revenue are net of estimated returns and taxes collected from customer.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

Revenue from sale of goods is recognised at point in time when control is transferred to the customer and it is probable that consideration will be collected. Control is usually transferred upon the shipment, delivery to or upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customer.

The transaction price is documented on the sales invoice and payment is generally due as per agreed credit terms with customer.

The consideration can be fixed or variable. Variable consideration is only recognised when it is highly probable that a significant reversal will not occur.

Revenue from services are recognised as the related services are performed, the contractual performance obligations are satisfied and there is no uncertainty related to the collection of the said revenue.

The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

### Profit Sharing Revenues

The Company from time to time enters into arrangements for the sale of its products in certain markets. Under such arrangements, the Company sells its products to the business partners at a base purchase price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base purchase price. The profit share is typically dependent on the ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement. Revenue in an amount equal to the base purchase price is recognised in these transactions upon delivery of products to the business partners. An additional amount representing the profit share component is recognised as revenue only to the extent that it is highly probable that a significant reversal will not occur.

Profit share earned through a collaboration partner is recognised as the underlying sales are recorded by the collaboration partners

### Export entitlements

Export entitlements are recognised as income when right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

### Interest Income

Interest income is recognised using effective interest rate method.

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

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

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

### Estimate of Expected Return

Sales return is variable consideration that is recognised and recorded based on historical experience, market conditions and provided for in the year of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with trade practices, historical trends, past experience and projected market conditions.

## 3.12 Income Taxes

Income tax expense comprises current and deferred tax expense. Income tax expenses are recognised in statement of profit or loss, except when they relate to items recognised in other comprehensive income or directly in equity.

### Current Tax

Current tax is the tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of reporting period by the governing taxation laws, and any adjustment to tax payable in respect of previous periods. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. 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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

### Deferred Tax

Deferred taxes arising from deductible and taxable temporary differences between the tax base of assets and liabilities and their carrying amount in the standalone financial statements are recognised using substantively enacted tax rates and laws expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax asset are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilised.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to do the same.

### 3.13 Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

### 3.14 Research and development

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

### 3.15 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the Chief Operating Decision Maker (CODM). All operating segments' operating results are reviewed regularly by the CODM to make decisions about resources to be allocated to the segments and assess their performance.

## 4. NEW AND REVISED IND AS IN ISSUE BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31<sup>st</sup> March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

(INR in Lakhs)

**5 (A) PROPERTY, PLANT AND EQUIPMENT**

As at 31<sup>st</sup> March 2024

Particulars	Freehold Land	Building	Plant & Equipments	Laboratory Equipments	Office Equipments	Furniture & Fixtures	Computers	Vehicles	Total
Gross carrying amount as at 1 <sup>st</sup> April 2023	5,471.11	24,628.54	39,187.34	4,937.99	633.77	1,971.92	729.02	423.19	77,982.88
Additions during the year	-	1,128.24	1,428.42	289.48	7.84	63.17	34.18	144.05	3,095.38
Disposals during the year	-	-	17.56	28.02	-	-	-	13.58	59.16
<b>Gross carrying amount as at 31<sup>st</sup> March 2024</b>	<b>5,471.11</b>	<b>25,756.78</b>	<b>40,598.20</b>	<b>5,199.45</b>	<b>641.61</b>	<b>2,035.09</b>	<b>763.20</b>	<b>553.66</b>	<b>81,019.10</b>
Accumulated depreciation as at 1 <sup>st</sup> April 2023	-	2,865.93	11,702.95	2,169.80	369.28	788.06	583.89	250.71	18,730.62
Depreciation charge for the year	-	932.94	3,357.53	434.06	80.31	179.41	95.66	76.22	5,156.13
Eliminated on disposals	-	-	12.60	15.44	-	-	-	12.88	40.92
<b>Accumulated depreciation as at 31<sup>st</sup> March 2024</b>	<b>-</b>	<b>3,798.87</b>	<b>15,047.88</b>	<b>2,588.42</b>	<b>449.59</b>	<b>967.47</b>	<b>679.55</b>	<b>314.05</b>	<b>23,845.83</b>
<b>Carrying value as at 31<sup>st</sup> March 2024</b>	<b>5,471.11</b>	<b>21,957.91</b>	<b>25,550.32</b>	<b>2,611.03</b>	<b>192.02</b>	<b>1,067.62</b>	<b>83.65</b>	<b>239.61</b>	<b>57,173.27</b>
Capital work-in-progress	-	-	-	-	-	-	-	-	21,148.24

As at 31<sup>st</sup> March 2023

Particulars	Freehold Land	Building	Plant & Equipments	Laboratory Equipments	Office Equipments	Furniture & Fixtures	Computers	Vehicles	Total
Gross carrying amount as at 1 <sup>st</sup> April 2022	5,471.11	22,263.42	35,274.71	4,321.80	489.11	1,724.29	672.49	371.11	70,588.04
Additions during the year	-	2,365.12	3,930.72	616.19	144.66	247.63	56.53	54.74	7,415.59
Disposals during the year	-	-	18.09	-	-	-	-	2.66	20.75
<b>Gross carrying amount as at 31<sup>st</sup> March 2023</b>	<b>5,471.11</b>	<b>24,628.54</b>	<b>39,187.34</b>	<b>4,937.99</b>	<b>633.77</b>	<b>1,971.92</b>	<b>729.02</b>	<b>423.19</b>	<b>77,982.88</b>
Accumulated depreciation as at 1 <sup>st</sup> April 2022	-	2,003.36	8,470.15	1,747.78	300.59	620.11	463.71	179.29	13,784.99
Depreciation charge for the year	-	862.57	3,239.19	422.02	68.69	167.95	120.18	73.85	4,954.45
Eliminated on disposals	-	-	6.39	-	-	-	-	2.43	8.82
<b>Accumulated depreciation as at 31<sup>st</sup> March 2023</b>	<b>-</b>	<b>2,865.93</b>	<b>11,702.95</b>	<b>2,169.80</b>	<b>369.28</b>	<b>788.06</b>	<b>583.89</b>	<b>250.71</b>	<b>18,730.62</b>
<b>Carrying value as at 31<sup>st</sup> March 2023</b>	<b>5,471.11</b>	<b>21,762.61</b>	<b>27,484.39</b>	<b>2,768.19</b>	<b>264.49</b>	<b>1,183.86</b>	<b>145.13</b>	<b>172.48</b>	<b>59,252.26</b>
Capital work-in-progress	-	-	-	-	-	-	-	-	17,269.71

Notes:

(i) Buildings includes INR 100 (Previous year INR 100) being cost of shares of Bopal"444"Association.

(ii) Depreciation for the year includes INR 162.96 Lakhs (Previous Year - INR 182.98 Lakhs) for depreciation on Research & Development assets. (Refer Note 41)



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

- (iii) Additions to Property, Plant & Equipment during the year include capital expenditure on Research & Development related activities amounting to INR 241.61 Lakhs (Previous Year INR 231.17 Lakhs). The details of the same are as under:

Particulars	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Factory Building	-	64.95
Plant & Equipments	22.56	13.98
Laboratory Equipment	216.54	106.84
Computer	-	9.31
Office Equipment	1.26	3.28
Furniture & Fixtures	1.25	32.81
<b>Total</b>	<b>241.61</b>	<b>231.17</b>

- (iv) Details of property, plant and equipments which are hypothecated/mortgaged as security for borrowings are disclosed under note 18 (i).  
 (v) The amount of capital commitments is disclosed in Note 34.

**(B) Capital work in progress:**

Particulars	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Capital Work-In-Progress	21,148.24	17,269.71
<b>Total</b>	<b>21,148.24</b>	<b>17,269.71</b>

**(i) Capital work in progress ageing schedule:**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in Progress	3,878.53	13,549.87	3,325.38	394.46	21,148.24
<b>As at 31<sup>st</sup> March 2024</b>	<b>3,878.53</b>	<b>13,549.87</b>	<b>3,325.38</b>	<b>394.46</b>	<b>21,148.24</b>

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in Progress	13,549.87	3,325.38	394.46	-	17,269.71
<b>As at 31<sup>st</sup> March 2023</b>	<b>13,549.87</b>	<b>3,325.38</b>	<b>394.46</b>	<b>-</b>	<b>17,269.71</b>

As on date of balance sheet, there are no capital work in progress whose completion is overdue or has exceeded the cost compared to its original plan.

There is no project which is temporarily suspended.

**6 INTANGIBLE ASSETS**
**As at 31<sup>st</sup> March 2024**

Particulars	Software	Technical Know-How	Total
Gross carrying amount as at 1 <sup>st</sup> April 2023	117.59	1,042.20	1,159.79
Additions during the year	-	46.08	46.08
Disposals during the year	-	-	-
<b>Gross carrying amount as at 31<sup>st</sup> March 2024</b>	<b>117.59</b>	<b>1,088.28</b>	<b>1,205.87</b>
Accumulated Amortisation as at 1 <sup>st</sup> April 2023	111.44	1,028.58	1,140.02
Amortisation for the year	4.89	28.99	33.88
Deductions during the year	-	-	-
<b>Accumulated depreciation as at 31<sup>st</sup> March 2024</b>	<b>116.33</b>	<b>1,057.57</b>	<b>1,173.90</b>
<b>Carrying value as at 31<sup>st</sup> March 2024</b>	<b>1.26</b>	<b>30.71</b>	<b>31.97</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

(INR in Lakhs)

**As at 31<sup>st</sup> March 2023**

Particulars	Software	Technical Know-How	Total
Gross carrying amount as at 1 <sup>st</sup> April 2022	117.59	1,042.20	1,159.79
Additions during the year	-	-	-
Disposals during the year	-	-	-
<b>Gross carrying amount as at 31st March 2023</b>	<b>117.59</b>	<b>1,042.20</b>	<b>1,159.79</b>
Accumulated Amortisation as at 1 <sup>st</sup> April 2022	97.55	704.53	802.08
Amortisation for the year	13.89	324.05	337.94
Deductions during the year	-	-	-
<b>Accumulated depreciation as at 31st March 2023</b>	<b>111.44</b>	<b>1,028.58</b>	<b>1,140.02</b>
<b>Carrying value as at 31st March 2023</b>	<b>6.15</b>	<b>13.62</b>	<b>19.77</b>

**7 RIGHT-OF USE ASSETS**

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Right-of use Assets (RoU)	326.34	25.99
<b>Total</b>	<b>326.34</b>	<b>25.99</b>

**Lease Liabilities**

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Lease Liabilities-Current	162.08	14.69
Lease Liabilities- Non Current	188.70	16.38
<b>Total</b>	<b>350.78</b>	<b>31.07</b>

**A. The Company has taken Office building and warehouse on lease. Disclosures as per Ind AS 116 - Leases are as follows:**

The changes in the carrying value of ROU assets for the year ended on 31<sup>st</sup> March 2024 are as follows :

Particulars	Office Building	Warehouse	Total
Opening Balance	-	25.99	25.99
Additions during the year	469.49	-	469.49
Amortisation	(156.49)	(12.65)	(169.14)
<b>Balance at the end of the year</b>	<b>313.00</b>	<b>13.34</b>	<b>326.34</b>

The changes in the carrying value of ROU assets for the year ended on 31<sup>st</sup> March 2023 are as follows :

Particulars	Office Building	Warehouse	Total
Opening Balance	97.57	39.27	136.84
Additions during the year	-	-	-
Amortisation	(97.57)	(13.28)	(110.85)
<b>Balance at the end of the year</b>	<b>-</b>	<b>25.99</b>	<b>25.99</b>

The aggregate amortisation expense on ROU assets is included under amortisation expense in the Statement of Profit and Loss.

During the current year the Company has renewed lease agreement for its Head Office on 6<sup>th</sup> July 2023 for next three years. The monthly rent is INR 14.32 Lakhs (P.Y. INR 13.38 Lakhs) with escalation of 7% after completion of each Financial Year.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

**B. The movement in lease liabilities for the year ended on 31<sup>st</sup> March 2024 are as follows :**

Particulars	Office Building	Warehouse	Total
Opening Balance	-	31.07	31.07
Additions during the year	469.49	-	469.49
Finance cost accrued during the year	41.55	2.53	44.08
Payment of lease liabilities	(176.04)	(17.82)	(193.86)
<b>Balance at the end of the year</b>	<b>335.00</b>	<b>15.78</b>	<b>350.78</b>

The break-up of current and non-current lease liabilities as on 31<sup>st</sup> March 2024 is as under :

Particulars	Office Building	Warehouse	Total
Current	154.24	7.84	162.08
Non Current	180.76	7.94	188.70
<b>Total</b>	<b>335.00</b>	<b>15.78</b>	<b>350.78</b>

The movement in lease liabilities for the year ended on 31<sup>st</sup> March 2023 are as follows :

Particulars	Office Building	Warehouse	Total
Opening Balance	146.14	44.54	190.68
Additions during the year	-	-	-
Finance cost accrued during the year	14.47	3.72	18.19
Payment of lease liabilities	(160.61)	(17.19)	(177.80)
<b>Balance at the end of the year</b>	<b>-</b>	<b>31.07</b>	<b>31.07</b>

The break-up of current and non-current lease liabilities as on 31<sup>st</sup> March 2023 is as under :

Particulars	Office Building	Warehouse	Total
Current	-	14.69	14.69
Non Current	-	16.38	16.38
<b>Total</b>	<b>-</b>	<b>31.07</b>	<b>31.07</b>

**C. The details of contractual maturities of lease liabilities as on 31<sup>st</sup> March 2024 on undiscounted basis are as follows:**

Particulars	Office Building	Warehouse	Total
Less than one year	183.88	9.08	192.96
One to five years	196.76	9.26	206.02
<b>Total</b>	<b>380.64</b>	<b>18.34</b>	<b>398.98</b>

The details of contractual maturities of lease liabilities as on 31<sup>st</sup> March 2023 on undiscounted basis are as follows:

Particulars	Office Building	Warehouse	Total
Less than one year	-	17.22	17.22
One to five years	-	18.34	18.34
<b>Total</b>	<b>-</b>	<b>35.56</b>	<b>35.56</b>

**D. The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.**



NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

(INR in Lakhs)

**E. The amount recognised in the statement of profit or loss for the year ended 31<sup>st</sup> March 2024 are as follows:**

Particulars	Office Building	Warehouse	Total
Amortisation expense of RoU (Refer Note 30)	156.49	12.65	169.14
Interest expense on lease liabilities (Refer Note 29)	41.55	2.53	44.08
Rent expense*	2.00	-	2.00
<b>Total</b>	<b>200.04</b>	<b>15.18</b>	<b>215.22</b>

\*Rent expenses for short-term leases and leases of low value assets (Refer Note 31)

**The amount recognised in the statement of profit or loss for the year ended 31<sup>st</sup> March 2023 are as follows:**

Particulars	Office Building	Warehouse	Total
Amortisation expense of RoU (Refer Note 30)	97.57	13.28	110.85
Interest expense on lease liabilities (Refer Note 29)	14.47	3.72	18.19
Rent expense*	0.71	-	0.71
<b>Total</b>	<b>112.75</b>	<b>17.00</b>	<b>129.75</b>

\*Rent expenses for short-term leases and leases of low value assets (Refer Note 31)

**8 INVESTMENTS**

Particulars	No. of share / units as at 31 <sup>st</sup> March 2024	No. of share / units as at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>(a) Non Current</b>				
<b>(i) Unquoted equity instruments</b>				
In Joint Venture Company at cost:				
Concord Biotech Japan K.K.	200	200	66.52	66.52
<b>Total Investment at cost Non current</b>			<b>66.52</b>	<b>66.52</b>
<b>(ii) Investments in Mutual Funds measured at Fair value through profit &amp; loss</b>				
<b>Quoted Mutual Funds</b>				
Franklin India Short Term Income Plan - Retail Plan Segregated Portfolio 2	-	13,340	-	12.46
Franklin India Short Term Income Plan - Retail Plan Segregated Portfolio 3	21,282	21,282	-	-
<b>Total Investments at FVTPL- Non Current</b>			<b>-</b>	<b>12.46</b>
<b>Total Non-current Investments</b>			<b>66.52</b>	<b>78.98</b>
Aggregate carrying value of unquoted investments			66.52	66.52
Aggregate carrying value of quoted investments			-	12.46
Aggregate market value of quoted investments			-	12.46
<b>(b) Current</b>				
<b>(i) Investments in Mutual Funds measured at Fair value through profit &amp; loss</b>				
Edelweiss Arbitrage Fund - Direct Plan - Growth	48,67,121	-	920.59	-
Aditya Birla Sun Life Banking & PSU Debt Fund - Direct Plan - Growth	1,56,941	1,56,941	538.13	500.00
HDFC Banking & PSU Debt Fund - Direct Growth Option	24,97,216	24,97,216	538.95	500.00
Kotak Banking and PSU Debt Fund - Direct Growth	8,79,152	8,79,152	539.43	500.00
SBI Banking & PSU Fund - Direct Growth	18,018	18,018	537.85	500.00
Nippon India Overnight Fund - Growth Plan	5,00,899	-	640.77	-
Axis Strategic Bond Fund - Regular Growth	11,61,353	11,61,353	292.33	270.88

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

<b>Particulars</b>	<b>No. of share / units as at 31<sup>st</sup> March 2024</b>	<b>No. of share / units as at 31<sup>st</sup> March 2023</b>	<b>As at 31<sup>st</sup> March 2024</b>	<b>As at 31<sup>st</sup> March 2023</b>
Franklin India Short Term Income Plan - Retail Plan - Growth	36	1,292	1.84	63.89
ICICI Prudential Saving Fund - Direct Plan - Growth	2,96,506	2,96,506	1,474.15	1,365.65
Kotak Low Duration Fund Standard Growth - Regular Plan	18,324	18,324	559.30	523.32
Nippon India Corporate Bond Fund - Growth Plan - Growth Option	5,36,413	5,36,413	289.61	268.53
Nippon India Floating Rate Fund - Direct Growth Plan	17,71,457	17,71,457	756.74	700.00
Aditya Birla Sun Life Liquid Fund - Regular Plan - Growth	-	1,30,887	-	470.93
Axis Liquid Fund - Regular Growth	-	13,312	-	330.69
ICICI Prudential Liquid Fund - Growth	-	2,93,760	-	971.33
Nippon India Money Market Fund - Growth Plan - Growth Option	-	4,036	-	141.78
SBI Liquid Fund - Regular Growth	-	38,677	-	1,352.18
HDFC Low Duration Fund - Direct Plan - Growth Option	15,90,086	15,90,086	901.32	835.12
HDFC Ultra Short Term Fund - Direct Growth	42,31,052	42,31,052	596.10	554.52
Trust MF Banking & PSU Debt Fund - Direct Plan - Growth	50,000	50,000	584.48	544.19
SBI Overnight Fund - Regular Growth	7,071	-	272.15	-
Aditya Birla Sun Life Short Term Fund - Direct Plan - Growth	7,01,471	7,01,471	324.09	300.00
Axis Short Term Fund - Direct Growth	21,41,030	21,41,030	647.18	600.00
ICICI Prudential Short Term Fund - Direct Plan - Growth	11,03,584	11,03,584	650.37	600.00
Kotak Bond Fund (Short Term) - Direct Plan - Growth	12,57,245	12,57,245	647.77	600.00
Nippon India Short Term Fund - Direct Growth Plan - Growth Option	12,60,923	12,60,923	648.16	600.00
SBI Short Term Debt Fund - Direct Plan - Growth	21,04,886	21,04,886	645.77	600.00
Aditya Birla Sun Life Arbitrage Fund - Direct Plan - Growth	23,36,300	-	608.16	-
HDFC Arbitrage Fund - Direct Plan - Wholesale Plan - Growth	50,78,119	-	932.65	-
ICICI Prudential Equity Arbitrage Fund - Direct Plan - Growth	42,84,289	-	1,434.56	-
Invesco India Arbitrage Fund - Direct Plan - Growth	35,63,612	-	1,117.94	-
Kotak Equity Arbitrage fund - Direct Plan - Growth	85,62,387	-	3,115.53	-
Nippon India Arbitrage Fund - Direct Growth Plan - Growth Option	54,51,493	-	1,424.81	-
SBI Arbitrage Opportunities fund - Direct Plan - Growth	64,80,485	-	2,121.31	-
Tata Arbitrage Fund - Direct Plan - Growth	44,28,525	-	608.15	-
<b>Total Investments at FVTPL- Current</b>			<b>24,370.19</b>	<b>13,693.01</b>
Aggregate carrying value of quoted investments			24,370.19	13,693.01
Aggregate market value of quoted investments			24,370.19	13,693.01





## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

(INR in Lakhs)

### 9 OTHER FINANCIAL ASSETS

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Unsecured, considered good unless otherwise stated</b>		
<b>Non Current</b>		
Security deposits	215.82	132.81
Production Linked Incentive Receivable [Refer Note (iii) below]	110.17	-
Bank deposits with maturity more than 12 months [Refer Note (i) below]	99.25	796.57
Interest accrued but not due on deposits	5.74	22.74
Other receivables		
Considered Good	65.97	67.39
Considered Doubtful	226.95	226.95
Less: Loss allowance on other receivables [Refer note (ii) below]	(226.95)	(226.95)
Net Other receivables	65.97	67.39
<b>Total</b>	<b>496.95</b>	<b>1,019.51</b>

Notes:

- (i) Out of total Bank deposits of INR 99.25 Lakhs, term deposits amounting to INR 98.16 Lakhs (as at 31<sup>st</sup> March 2023 INR 16.57 Lakhs) are lodged as margin money against Bank Guarantees and other Commitments.
- (ii) Loss allowance of INR 226.95 Lakhs is made for incentive receivable under Market Access Initiative Scheme(MAI scheme).
- (iii) The Company had a short receipt of INR 110.17 Lakhs for claim of FY 22-23. The management has written to the respective authority for clarification. The management has considered such an amount as recoverable, given that both the criteria for being eligible for the claim of FY 22-23 were complied with and presented under non current other financial assets.

### 10 OTHER NON CURRENT ASSETS

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Unsecured, considered good unless otherwise stated</b>		
Capital advances	797.99	761.95
<b>Total</b>	<b>797.99</b>	<b>761.95</b>

### 11 INVENTORIES

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
(At lower of Cost and Net Realisable Value)		
(a) Raw materials	6,330.47	8,042.87
(b) Work-in-progress	12,348.02	11,319.82
(c) Finished goods - Including Goods in transit (C.Y. 162.47 Lakhs , P.Y. 115.88 Lakhs)	402.95	548.49
(d) Fuel	69.75	78.91
(e) Stores & Spares	387.36	309.68
(f) Stock in Trade	1,256.83	931.70
<b>Total</b>	<b>20,795.38</b>	<b>21,231.47</b>

- (i) Inventory write down are accounted, considering the nature of inventory, ageing and net realisable value INR 678.20 Lakhs (31<sup>st</sup> March 2023 INR 503.34 Lakhs). The changes in write downs are recognised as an expense in the statement of Profit and loss.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

**12 TRADE RECEIVABLES**

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Considered good- Unsecured	34,960.89	27,375.76
Trade receivables Credit impaired	139.07	87.30
Less:- Loss Allowance	(139.07)	(87.30)
<b>Total</b>	<b>34,960.89</b>	<b>27,375.76</b>

- (i) The Company's exposure to credit and currency risk, and loss allowances are disclosed in Note 38.  
 (ii) Includes receivables from related parties [Refer Note 39(c)].  
 (iii) Movements in the expected credit loss allowance:

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Opening balance	87.30	78.06
Add / (less) : Loss allowance measured at expected credit losses	51.77	9.24
<b>Closing balance</b>	<b>139.07</b>	<b>87.30</b>

- (v) Trade receivables Ageing Schedule:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	25,727.18	7,084.88	1,649.35	459.59	11.43	28.46	34,960.89
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	57.19	13.36	68.52	139.07
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Less: Loss Allowance	-	-	-	-	-	-	(139.07)
<b>As at 31<sup>st</sup> March 2024</b>	<b>25,727.18</b>	<b>7,084.88</b>	<b>1,649.35</b>	<b>516.78</b>	<b>24.79</b>	<b>96.98</b>	<b>34,960.89</b>

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	18,434.53	7,203.27	1,331.87	377.59	28.50	-	27,375.76
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	18.15	6.91	62.24	87.30
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

(INR in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Less: Loss Allowance	-	-	-	-	-	-	(87.30)
<b>As at 31<sup>st</sup> March 2023</b>	<b>18,434.53</b>	<b>7,203.27</b>	<b>1,331.87</b>	<b>395.74</b>	<b>35.41</b>	<b>62.24</b>	<b>27,375.76</b>

The average credit period on sales of goods is 60-90 days. No interest is charged on outstanding trade receivables.

### 13 CASH AND BANK BALANCES

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>(a) Cash and cash equivalents</b>		
Cash on hand	2.73	1.63
Balance with Banks		
- In Current accounts	1,511.48	348.29
<b>Total</b>	<b>1,514.21</b>	<b>349.92</b>
<b>(b) Bank Balances other than cash and cash equivalents</b>		
Bank Deposits with Maturity more than 3 months but less than 12 months [Refer note below]	2,620.70	3,994.77
Share Escrow Account (Refer note 44)	567.53	-
<b>Total</b>	<b>3,188.23</b>	<b>3,994.77</b>

- (i) Out of total Bank deposits of INR 2,620.70 Lakhs, Term deposits amounting to INR 338.55 Lakhs (P.Y. INR 936.77 Lakhs) are lodged as margin money against Bank Guarantees and other Commitments.

### 14 OTHER FINANCIALS ASSETS

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Unsecured, considered good unless otherwise stated</b>		
<b>Current</b>		
Subsidy receivable [Refer Note (i) below]	99.14	124.37
Interest Accrued but not due on deposits	122.71	78.88
Derivative financial instruments	12.12	25.00
Insurance claims	48.18	73.89
Security Deposit	307.42	31.65
Production Linked Incentive Receivable [Refer Note (ii) below]	1,000.00	1,591.17
IPO expense reimbursement receivable (Refer note 44)	-	1,268.16
Other Receivables [Refer Note (iii) below]	355.31	466.78
<b>Total</b>	<b>1,944.88</b>	<b>3,659.90</b>

- (i) Company is eligible to get various incentive namely – Capital subsidy, interest subsidy, incentive on power tariff, employment generation incentive subsidy etc. from GSBTM (Gujarat State Biotechnology Mission) under Biotechnology Policy of Gujarat for establishing new API Plant at Limbasi. Company has received claims of subsidies on timely manner from GSBTM. The Company has received Capital subsidy pertaining for the claim of previous years from the GSBTM in FY 2022-23. As at 31<sup>st</sup> March 2024, the Company has outstanding receivable on account of various subsidies as follows - Interest Subsidy INR 14.96 Lakhs for interest paid on term loan, Power Tariff Subsidy INR 68.59 Lakhs, Employment Generation Incentive INR 15.59 Lakhs (as at 31<sup>st</sup> March 2023 Interest Subsidy INR 46.12 Lakhs for interest paid on term loan, Power Tariff Subsidy INR 65.62 Lakhs, Employment Generation Incentive INR 12.63 Lakhs).

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

- (ii) The Company is eligible for claiming benefits under the Production Linked Incentive (PLI) Scheme of the Government of India. Based on the Claims Submitted by PLI department, the Company has recognised the PLI Income.
- (iii) Other receivable includes INR 336.72 Lakhs (P.Y INR 461.72 Lakhs) of amount recoverable from customer towards bank guarantees invoked.

**15 OTHER CURRENT ASSETS**

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Unsecured, considered good unless otherwise stated</b>		
Advance to Supplier	765.72	130.97
Balances with government authorities	1,032.98	1,398.35
Prepaid expenses	733.12	551.85
Returnable assets	-	71.16
Export Incentive Receivable [Refer Note (i) below]	311.23	306.13
Advances to Employees	6.28	6.72
<b>Total</b>	<b>2,849.33</b>	<b>2,465.18</b>

- (i) Export Incentives Receivables includes INR 114.05 Lakhs (P.Y INR 126.39 Lakhs) for Duty Drawback, INR 89.93 Lakhs (P.Y INR 123.78 Lakhs) for RoDTEP, INR 51.29 Lakhs (P.Y INR Nil) for RoDTEP Scripts on Hand, INR 53.15 Lakhs (P.Y INR 53.15 Lakhs) for Merchandise Exports From India Scheme (MEIS) and INR 2.81 Lakhs (P.Y INR 2.81 Lakhs) for Rebate on Excise Duty.

**16 EQUITY SHARE CAPITAL**

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Authorised</b>		
11,00,00,000 (Previous Year - 11,00,00,000) equity shares of INR 1/- each and 31 <sup>st</sup> March 2023 INR 1/-) [Refer note below]	1,100.00	1,100.00
	<b>1,100.00</b>	<b>1,100.00</b>
<b>Issued, Subscribed and fully paid-up</b>		
10,46,16,204 (Previous Period - 10,46,16,204) equity shares of INR 1/- (Previous Period INR 1/-) each fully paid up [Refer Note (v) below]	1,046.16	1,046.16
	<b>1,046.16</b>	<b>1,046.16</b>

The Authorised Share Capital of the Company was increased from INR 10,00,00,000 (consisting of 1,00,00,000 equity shares of face value of INR 10 each) to INR 11,00,00,000 (consisting of 11,00,00,000 equity shares of face value of INR 1 each) through an ordinary resolution passed by the Shareholders of the Company in Extra Ordinary General Meeting of Company held on 8<sup>th</sup> July 2022.

**(i) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:**

Particulars	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	Number of Shares	INR in Lakhs	Number of Shares	INR in Lakhs
<b>As at the beginning of the year</b>	10,46,16,204	1,046.16	95,10,564	951.06
Add: Issued on account of Split off of shares during the period [Refer Note (v) below]	-	-	8,55,95,076	-
Add: Issued on account of Bonus shares during the period [Refer Note (v) below]	-	-	95,10,564	95.10
<b>Outstanding at the end of the year</b>	<b>10,46,16,204</b>	<b>1,046.16</b>	<b>10,46,16,204</b>	<b>1,046.16</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

(INR in Lakhs)

### (ii) Terms/rights attached to equity shares with voting rights:

The Company has only one class of equity shares having a par value of INR 1 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

### (iii) Details of shareholders holding more than 5% shares in the Company:

Particulars	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	Number of Shares	INR in Lakhs	Number of Shares	INR in Lakhs
<b>Equity Shares of INR 1 each fully paid</b>				
Mr. Sudhir Jairam Vaid	3,01,69,524	28.84%	3,01,69,524	28.84%
Helix Investment Holdings Pte Limited, Singapore (Refer Note 44)	-	-	2,09,25,652	20.00%
Mrs. Manju Sudhir Vaid	99,87,384	9.55%	99,87,384	9.55%
Nishtha Jhunjhunwala Disc Trust	83,99,732	8.03%	83,99,732	8.03%
Aryavir Jhunjhunwala Disc Trust	83,99,754	8.03%	83,99,754	8.03%
Aryaman Jhunjhunwala Disc Trust	83,99,754	8.03%	83,99,754	8.03%
M/s. Ontario Inc.	56,40,536	5.39%	56,40,536	5.39%

### (iv) Shares held by Promoters & Promoters group at the end of the Year:

Particulars	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023		% of change during the year
	No. of Shares	% of total Shares	No. of Shares	% of total Shares	
<b>Promoters</b>					
Mr. Sudhir Vaid	3,01,69,524	28.84%	3,01,69,524	28.84%	-
Mr. Ankur Vaid	5,86,520	0.56%	5,86,520	0.56%	-
<b>Promoters Group</b>					
Mrs. Manju Sudhir Vaid	99,87,384	9.55%	99,87,384	9.55%	-
Mrs. Megha Vaid	5,47,008	0.52%	5,47,008	0.52%	-
Mrs. Sonal Kumra	73,920	0.07%	73,920	0.07%	-
Sudman Consultants LLP	47,52,000	4.54%	47,52,000	4.54%	-

- (v) Pursuant to the approval of the shareholders at the Extra Ordinary General Meeting of the Company held on 8<sup>th</sup> July 2022, each equity share of face value of INR 10/- per share was sub-divided into 10 equity shares of face value of INR 1/- per share and approved the issuance of 1 bonus shares of face value INR 1 each for every 10 existing fully paid-up equity share of face value INR 1 each and accordingly 95,10,564 bonus shares were issued and allotted on 20<sup>th</sup> July 2022 out of securities premium.

## 17 OTHER EQUITY

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Reserve and Surplus		
Retained Earnings	1,40,360.16	1,17,032.99
General Reserve	2,921.79	2,921.79
Securities premium [Refer note 16(v)]	8,197.10	8,197.10
<b>Total</b>	<b>1,51,479.05</b>	<b>1,28,151.88</b>

### Nature and purpose of reserves:

#### (i) General reserve:

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. Items included under General Reserve shall not be reclassified back into the Statement of Profit & Loss.



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

**(ii) Retained Earnings:**

Retained Earnings are the profits that the Company has earned till date less any transfer to general reserve, dividends and other distributions to shareholder.

**(iii) Securities Premium:**

This reserve represents Security Premium received at the time of issuance of Equity Shares.

**18 BORROWINGS**

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Non-current</b>		
<b>Secured - at amortised cost</b>		
Term Loan [Refer Note (i) below]	622.98	3,123.56
Less: Current maturities of term Loan	(622.98)	(2,500.00)
<b>Total</b>	<b>-</b>	<b>623.56</b>
<b>Current borrowing</b>		
<b>Secured - at amortised cost</b>		
Cash Credit Facility [Refer Note (ii) below]	-	-
Current maturities of long term liabilities	<b>622.98</b>	<b>2,500.00</b>
<b>Total</b>	<b>622.98</b>	<b>2,500.00</b>

- (i) The Company has availed Term Loan from State Bank of India. Term Loan of INR 10,000 Lakhs (outstanding amounting as at 31<sup>st</sup> March 2024 INR 622.98 Lakhs, 31<sup>st</sup> March 2023 INR 3,123.56 Lakhs) is secured by first charge on Factory Land & Building and Plant & Machinery of Unit-III at Limbasi, Dist. Kheda, (Survey No. 666,667,668 and 84 at Village Malavada and Survey No. 94A,94B,119,120,126,135 and 136 at Ranasar ) and charge on the same has been created. Interest rate is 3 months MCLR + 0.20% p.a and loan is repayable in 16 quarterly instalments of INR 625 Lakhs each starting from October, 2020.
- (ii) The Company has Fund-based and Non-fund-based limits of Working Capital from Banks. For the said facility, the revised submissions made by the Company to its bankers based on closure of books of accounts at the respective year end, the revised quarterly returns or statements comprising stock statements, book debt statements, statements on ageing analysis of the debtors, and other stipulated financial information filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

**19 PROVISIONS**

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Non-current</b>		
<b>Employee Benefits</b>		
Provisions for compensated absences	195.61	229.66
<b>Total</b>	<b>195.61</b>	<b>229.66</b>
<b>Current</b>		
<b>Employee Benefits</b>		
Provision for Compensated Absences	184.68	147.85
Provision for Gratuity (Refer Note 36)	42.70	57.67
<b>Others</b>		
Provision for Sales Return [Refer Note (i) below]	162.81	2,542.05
<b>Total</b>	<b>390.19</b>	<b>2,747.57</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

(INR in Lakhs)

**Note:****(i) Provision for Sales Returns:**

One of the distributor based out at America terminated exclusive distribution and supply agreement in the previous year ended 31<sup>st</sup> March 2023 and as per the Agreement, the Company was required to purchase the remaining unsold inventory based on mutual understanding between the parties. Accordingly, a provision of INR 2,163.70 Lakhs was made for inventory lying with the said distributor in the previous year ended 31<sup>st</sup> March 2023 which were primarily in nature of expired or near expiry products. During the current year ended 31<sup>st</sup> March 2024, the Company has received products from the said distributor. Consequently, the sales return provision of INR 2,163.70 Lakhs was utilised in the current year ended 31<sup>st</sup> March 2024.

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Opening Balance	2,542.05	-
Add: Provision made during the period	2,853.11	3,843.54
Less: Provision utilised during the period	(5,232.35)	(1,301.49)
Closing Balance	162.81	2,542.05

**20 INCOME TAXES**

The major component of income tax expense for the years ended 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2023 are as follows:

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>Statement of Profit and Loss</b>		
Current tax	9,983.39	7,953.00
Short / (excess) provision related to earlier years	-	1.61
Deferred tax	462.79	238.16
<b>Income tax expense in the Statement of Profit and Loss</b>	<b>10,446.18</b>	<b>8,192.77</b>
<b>Statement to Other comprehensive income (OCI)</b>		
Income tax relating to re-measurement gain/ (loss) on defined benefit plans	(0.24)	8.66
<b>Income tax charge/(credit) recognised in OCI</b>	<b>(0.24)</b>	<b>8.66</b>

**(a) Reconciliation of tax expense and the accounting profit multiplied by tax rate for the year ended 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2023.**

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>Accounting profit before tax</b>	<b>40,919.37</b>	<b>32,005.41</b>
<b>Tax Rate</b>	25.168%	25.168%
Income tax expense calculated at corporate tax rate	10,298.59	8,055.12
<b>Adjustment</b>		
Tax impact on income charged under capital gain	(8.94)	(22.35)
(Excess) / Short tax provision related to earlier year	-	1.61
Expenditure not deductible under tax	148.75	142.15
Changes in temporary differences of earlier years	3.32	12.30
Others	4.46	3.94
<b>Total</b>	<b>10,446.18</b>	<b>8,192.77</b>
<b>Effective tax rate</b>	<b>25.53%</b>	<b>25.60%</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

**(b) Deferred tax:**

The major components of Deferred tax liabilities / (assets) arising on account of timing differences are as follows:

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Deferred tax liabilities</b>		
Property, plant and equipment and intangible assets	2,609.32	2,387.06
Fair Valuation of Investments measured at FVTPL	442.29	175.17
<b>Total</b>	<b>3,051.61</b>	<b>2,562.23</b>
<b>Deferred tax assets</b>		
Employee benefit obligations	120.69	116.45
Loss Allowance for trade receivables & other financial assets	95.97	79.09
Provision for expenses allowed for tax purpose on payment basis	22.35	21.51
Leases of Right of use assets and lease liabilities	6.15	1.28
<b>Total</b>	<b>245.16</b>	<b>218.33</b>
Deferred Tax liabilities (Net)	2,806.45	2,343.90
<b>Total</b>	<b>2,806.45</b>	<b>2,343.90</b>

Movement of deferred tax liabilities / (assets) during the year:

Particulars	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2024
<b>Deferred tax liabilities / (assets) in relation to:</b>		
Property, plant and equipment and intangible assets	222.26	252.30
Fair Valuation of Investments measured at FVTPL	267.12	18.20
Leases of Right of use assets and lease liabilities	(4.87)	12.27
Employee benefit obligations	(4.24)	(28.42)
Loss Allowance for trade receivables & other financial assets	(16.88)	(2.33)
Provision for expenses allowed for tax purpose on payment basis	(0.84)	(5.20)
<b>Total</b>	<b>462.55</b>	<b>246.82</b>

- (i) There are certain income-tax related legal proceedings which are pending against the Company. Potential liabilities, if any have been adequately provided for, and the Company does not currently estimate any probable material incremental tax liabilities in respect of these matters. Refer note 34 (b).
- (ii) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
- (iii) The Tax rate used for Financial Year 2023-24 and 2022-23, in reconciliation above is the corporate tax rate of 25.168% payable by corporate entity in India on taxable profits under the Indian Tax Law.

**(c) Non-Current tax asset / (Current tax Liabilities)**

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Provision for Income Tax	(29,344.46)	(19,355.25)
Advance payment of Tax	29,062.20	18,721.90
<b>Total</b>	<b>(282.26)</b>	<b>(633.35)</b>

**(d) Income Tax Balances (Net)**

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Income tax assets (Net)	267.12	266.52
Current tax liabilities (net)	549.38	899.87
<b>Total</b>	<b>(282.26)</b>	<b>(633.35)</b>



NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

(INR in Lakhs)

**21 TRADE PAYABLES**

Particulars	As at 31st March 2024	As at 31st March 2023
Total outstanding dues of micro enterprises and small enterprises	961.54	1,702.27
Total outstanding dues of creditors other than micro enterprises and small enterprises	8,481.99	7,677.73
<b>Total</b>	<b>9,443.53</b>	<b>9,380.00</b>

**(a) Trade Payables Ageing Schedule:**

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1 to 2 years	2 to 3 years	More than 3 years	
(i) MSME	926.96	34.58	-	-	-	961.54
(ii) Others	7,218.80	1,159.85	13.83	13.16	76.35	8,481.99
(iii) Disputed Dues MSME	-	-	-	-	-	-
(iv) Disputed Dues -Other	-	-	-	-	-	-
<b>As at 31<sup>st</sup> March 2024</b>	<b>8,145.76</b>	<b>1,194.43</b>	<b>13.83</b>	<b>13.16</b>	<b>76.35</b>	<b>9,443.53</b>

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1 to 2 years	2 to 3 years	More than 3 years	
(i) MSME	1,488.55	213.17	0.33	-	0.22	1,702.27
(ii) Others	5,550.31	1,889.40	141.83	37.83	58.36	7,677.73
(iii) Disputed Dues MSME	-	-	-	-	-	-
(iv) Disputed Dues -Other	-	-	-	-	-	-
<b>As at 31<sup>st</sup> March 2023</b>	<b>7,038.86</b>	<b>2,102.57</b>	<b>142.16</b>	<b>37.83</b>	<b>58.58</b>	<b>9,380.00</b>

**(b) Disclosure under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006**

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)		
- Principal amount due to micro and small enterprise	848.82	1,594.47
- Interest due on above	3.08	43.04
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	109.64	64.76
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	112.72	107.80
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	112.72	107.80

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

**22 OTHER FINANCIAL LIABILITIES**

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Interest accrued but not due on borrowings	10.39	25.97
Payables for employee benefits	1,183.71	1,009.21
Security Deposits	10.00	10.00
Payable to selling shareholders and others (Refer note 44)	714.19	-
Payable on purchase of Property, Plant and Equipment	502.34	2,089.17
<b>Total</b>	<b>2,420.63</b>	<b>3,134.35</b>

**23 OTHER CURRENT LIABILITIES**

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Payable to Statutory and other authorities	260.59	221.17
Advance from customers	366.16	155.51
<b>Total</b>	<b>626.75</b>	<b>376.68</b>

**24 REVENUE FROM OPERATIONS**

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>Revenue From contracts with customers</b>		
Sale of Goods	99,532.52	82,835.04
Sale of Services	273.21	228.18
	<b>99,805.73</b>	<b>83,063.22</b>
<b>Other Operating Revenue</b>		
Export benefits	888.19	662.43
Production Linked Incentive Income [Refer note 14 (ii)]	1,000.00	1,591.17
	<b>1,888.19</b>	<b>2,253.60</b>
<b>Total</b>	<b>1,01,693.92</b>	<b>85,316.82</b>

**(a) Disaggregate revenues from contracts with customers :**

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Domestic	53,420.94	43,213.41
Exports	48,272.98	42,103.41
<b>Total</b>	<b>1,01,693.92</b>	<b>85,316.82</b>

**(b) Disaggregate revenues from contracts with customers based on products:**

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Active Pharmaceutical Ingredient (API)	82,802.78	76,131.40
Formulations	18,891.14	9,185.42
<b>Total</b>	<b>1,01,693.92</b>	<b>85,316.82</b>





NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

(INR in Lakhs)

(c) Reconciliation of Revenue from operations with contract price:

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>Contract Price</b>	1,04,568.26	89,172.52
<b>Less : Adjustment made to contract price on account of:</b>		
Provision for Sales Return	(2,853.11)	(3,843.54)
Others - rate difference	(21.23)	(12.16)
<b>Total</b>	<b>1,01,693.92</b>	<b>85,316.82</b>

**25 OTHER INCOME**

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>Interest income</b>		
From Bank	304.11	444.08
<b>Other Gain and Losses</b>		
Net gain on sale of investments	345.14	299.36
Net gain on Investments in Mutual Funds measured at FVTPL	1,061.33	72.33
Net foreign exchange gain	648.05	1,022.15
<b>Other Non Operating Income</b>		
Subsidy income	764.69	832.38
Insurance claim Received	14.14	65.10
Net profit on sale of Property, plant & equipment	1.19	-
Testing Fees Income	111.43	41.15
Receivables from Bank Guarantee [Refer Note 14(iii)]	-	461.72
Excess provision no longer required written back	3.81	175.09
Miscellaneous income	124.11	117.57
<b>Total</b>	<b>3,378.00</b>	<b>3,530.93</b>

**26 COST OF MATERIALS CONSUMED**

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Raw materials including packing materials at the beginning of the year	8,042.87	8,080.81
Add: Purchases	16,741.31	16,669.21
	<b>24,784.18</b>	<b>24,750.02</b>
Less: Raw materials including packing materials at the end of the year	6,330.47	8,042.87
<b>Total</b>	<b>18,453.71</b>	<b>16,707.15</b>

**27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE:**

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>Opening stock</b>		
Finished goods	548.49	1,027.07
Stock-in-trade	931.70	1,191.70
Work-in-progress	11,319.82	9,018.04
	<b>12,800.01</b>	<b>11,236.81</b>
<b>Less : Closing stock</b>		
Finished goods	402.95	548.49
Stock-in-trade	1,256.83	931.70
Work-in-progress	12,348.02	11,319.82
	<b>14,007.80</b>	<b>12,800.01</b>
<b>Total changes in inventories of finished goods, work-in-progress and stock-in-trade</b>	<b>(1,207.79)</b>	<b>(1,563.20)</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

**28 EMPLOYEE BENEFITS EXPENSE:**

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Salaries, wages and bonus	11,479.16	10,314.23
Contribution to provident and other funds	632.39	523.82
Staff welfare expenses	193.12	189.80
<b>Total</b>	<b>12,304.67</b>	<b>11,027.85</b>

**29 FINANCE COSTS**

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
(a) Interest expense on borrowings		
- Term Loan	183.90	348.75
- Cash Credit/Over Draft	21.41	17.23
(b) Interest on lease liabilities (Refer Note 7)	44.08	18.19
<b>Total interest expense for financial liabilities carried at amortised cost</b>	<b>249.39</b>	<b>384.17</b>
Interest on Income tax	5.80	66.86
<b>Total</b>	<b>255.19</b>	<b>451.03</b>

**30 DEPRECIATION AND AMORTISATION**

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Depreciation of property, plant and equipment (Refer Note 5)	5156.13	4,954.45
Amortisation of intangible assets (Refer Note 6)	33.88	337.94
Depreciation of right of use assets (Refer Note 7)	169.14	110.85
<b>Total</b>	<b>5,359.15</b>	<b>5,403.24</b>

**31 OTHER EXPENSES**

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Power & Fuel Consumed	10,496.87	9,765.37
Consumption of stores and spare parts	1,241.19	1,305.77
Laboratory Charges & Testing Expenses	1,881.88	2,158.59
Repairs & Maintenance	1,558.56	1,187.48
Rent, Rates & Taxes	855.81	589.80
Royalty Expenses	-	380.08
Insurance Expense	312.94	295.51
Bank Charges	63.21	67.42
Travelling and conveyance	994.04	897.04
Communication, IT and Stationery Expenses	223.28	243.33
Payment to Auditors (Refer Note-33)	46.19	25.46
Legal & Professional Fees	530.46	485.89
Directors Sitting Fee	30.50	16.70
Selling, Distribution and Advertisement Expenses	3,310.96	2,369.85
Loss due to Fire	-	3.05
Net loss on sale of Property, plant & equipment	-	9.40
Provision for doubtful debts	51.77	9.24
Corporate Social Responsibilities Expense (Refer Note 35)	590.33	497.30



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

(INR in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Bank Guarantee Expense [Refer Note 14(iii)]	-	461.72
Membership & Subscription	64.76	44.73
Security Service Charges	217.45	185.12
Effluent Treatment Plant Charges	616.30	554.25
Safety & Environment Charges	23.13	46.66
Miscellaneous Expense	204.10	339.64
<b>Total</b>	<b>23,313.73</b>	<b>21,939.40</b>

### 32 EARNINGS PER SHARE (EPS)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>Basic and Diluted EPS</b>		
(A) Net profit after tax before other comprehensive income as per standalone statement of profit and loss (INR in Lakhs) (A)	30,473.19	23,812.64
(B) Weighted average number of equity shares considered after split of shares into INR 1 each (Refer Note 16)	10,46,16,204	9,51,05,640
(C) Bonus shares issued subsequent to 31 <sup>st</sup> March 2022 (Refer Note 16)	-	95,10,564
(D) Weighted average number of equity shares considered for calculation of EPS (B + C)	10,46,16,204	10,46,16,204
(E) Basic and Diluted Earning Per Share (INR) (A/D)	29.13	22.76
(F) Nominal Value of equity share (INR)	1.00	1.00

The impact of split of shares and issue of bonus shares are retrospectively considered for the computation of EPS as per the requirement of Ind AS 33.

### 33 PAYMENT TO AUDITORS

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
For Audit Fees	37.55	18.11
For Certification fees	7.71	5.50
For Reimbursement of expense	0.93	1.85
<b>Total</b>	<b>46.19</b>	<b>25.46</b>

Company has paid fees of INR 77.25 Lakhs (Previous Year INR 144.20 Lakhs) for issuing various reports and certificates in connection with the completed initial public offering (IPO) during the current year. This expenses have been recovered from the selling shareholders and are not included in the above information.

### 34 COMMITMENTS AND CONTINGENCIES

#### (a) Commitments

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for in respect of the Property, Plant & Equipment (Net of Advances)	1,244.29	1,228.39
<b>Total</b>	<b>1,244.29</b>	<b>1,228.39</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

**(b) Contingent liabilities**

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Claims against the Company / disputed liabilities not acknowledged as debts:</b>		
Disputed demand of Excise duty for which an appeal has been preferred	376.37	376.37
- The Company has preferred Appeal to ITAT against order received from Assessing officer in respect of short payment of Excise duty, non reversal of input credit		
<b>Disputed demand of Income Tax in which company has preferred Appeal or filed rectification with Department :</b>	<b>1,054.56</b>	<b>1,054.56</b>
- The Company has preferred Appeal to CIT(A) against order received from Assessing officer in respect of disallowance of additional depreciation in A.Y. 2013-14. Appeal order was received but effect order is pending		
- The Company has preferred Appeal to CIT(A) against order received from Assessing officer in respect of Penalty imposed u/s 271(1)(C) in A.Y. 2015-16 & 2016-17. Appeal order was received but effect order is pending		
- The Company has preferred Appeal to CIT(A) against order received from Assessing officer in respect of disallowance of Purchase of Raw Material in A.Y. 2016-17		
- The Company has preferred Appeal to CIT(A) against order received from Assessing officer in respect of disallowance of u/s 35(2)(AB) and Rule 8D r.w.s 14A in A.Y. 2018-19. Appeal order was received but effect order is pending		
- The Company has filed rectification with Assessing officer against intimation received from CPC regarding payment of Dividend Distribution Tax for A.Y. 2020-21. The Company has also filed Appeal to CIT(A) against order received from Assessing officer in respect of disallowance u/s Rule 8D r.w.s 14A in A.Y. 2020-21 and regarding not granting credit of payment of Dividend Distribution Tax. Appeal order was received but effect order is pending.		
<b>Total</b>	<b>1,430.93</b>	<b>1,430.93</b>

- (i) It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending litigations of the respective proceedings.
- (ii) The Company does not expect any reimbursements in respect of the above contingent liabilities.
- (iii) The Company believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations. These demands are with respect to income tax and service tax matters for which appeals have been filed.

**35 CORPORATE SOCIAL RESPONSIBILITIES**

Amount spent towards CSR activities during the year are as follows:

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
(i) Gross Amount required to be spent by the Company during the year	572.30	495.46
(ii) Amount spent during the year	590.33	497.30
(iii) Excess / (Shortfall) at the end of the year	18.03	1.84
(iv) Total of previous years shortfall	-	-

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

(INR in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
(v) Reason for shortfall	Not Applicable	Not Applicable
(vi) Nature of CSR activities	Medical, Educational, Environmental sustainability, Promoting sports, Social, Rural Development	Medical, Educational, Environmental sustainability, Promoting sports, Social, Rural Development"
(vii) details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	Not Applicable	Not Applicable
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Not Applicable	Not Applicable

### 36 EMPLOYEE BENEFITS PLANS:

#### (a) Defined contribution plans:

The Company makes contributions towards provident fund, a defined contribution retirement benefit plan for qualifying employees. The provident fund is operated by the Regional Provident Fund Commissioner. The Company recognised INR 500.34 Lakhs (Previous Year INR 425.67 Lakhs) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the scheme.

#### (b) Defined benefit plans:

The Company makes annual contributions to the Employee's Group Gratuity cash accumulation scheme of the LIC, a funded defined benefit plan for qualifying employees. The Scheme provides for payment to vested employees at retirement/death while in employment or on termination of employment as per the provisions of the Gratuity Act, 1972. Vesting occurs on completion of 5 years of service. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method as per actuarial valuation carried out at the balance sheet date.

#### Characteristics of Defined Benefit Plans and risk associated with them:

Valuation of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework, which may vary over time. Thus, Company is exposed to various risks in providing the above benefit plans which are as follows:

##### (i) Interest rate risk:

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (i.e. value of defined benefit obligation).

##### (ii) Salary escalation risk:

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan particulars in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

##### (iii) Demographic risk:

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumptions.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

(INR in Lakhs)

The following table sets out the status of the gratuity plan as required under Ind AS-19 and the amounts recognised in the Company's financial statements as at 31<sup>st</sup> March 2024:

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>i. Reconciliation of Opening and Closing Balances of defined benefit obligation:</b>		
Liability at the beginning of the Year	760.15	689.81
Current Service Cost	119.88	122.51
Interest Cost	55.87	47.60
Benefits paid	(52.77)	(59.84)
Net Actuarial losses / (gain) Recognised	(5.22)	(39.93)
<b>Liability at the end of the Year</b>	<b>877.91</b>	<b>760.15</b>
<b>ii. Reconciliation of Opening and Closing Balances of the Fair value of Plan assets:</b>		
Plan assets at the beginning of the Year, at Fair value	702.48	596.36
Expected return on plan assets	51.63	41.13
Contributions	140.06	130.35
Benefit paid	(52.77)	(59.84)
Actuarial gain/(loss) on plan assets	(6.19)	(5.52)
<b>Plan assets at the end of the Year, at Fair Value</b>	<b>835.21</b>	<b>702.48</b>
<b>iii. Present value of defined benefit obligation and Fair value of plan assets:</b>		
Obligations at the end of the Year	877.91	760.15
Plan assets at the end of the Year, at Fair value	(835.21)	(702.48)
<b>Liability recognised in balance sheet at the end of the Year</b>	<b>42.70</b>	<b>57.67</b>
<b>iv. Expense recognised in the statement of profit and loss for the year</b>		
Current Service Cost	119.88	122.51
Interest Cost	55.87	47.60
Expected returns on plan assets	(51.63)	(41.13)
<b>Total</b>	<b>124.12</b>	<b>128.98</b>
<b>v. Expense recognised in the other comprehensive income for the year</b>		
Actuarial (gain)/loss on obligation for the period	(5.22)	(39.93)
Return on planned asset, excluding Interest Income	6.19	5.52
<b>Total</b>	<b>0.97</b>	<b>(34.41)</b>
<b>vi. Actuarial Assumptions</b>		
Discount Rate (per annum)*	7.17%	7.35%
Expected rate of return on plan assets**	7.17%	7.35%
Salary Escalation***	9.00%	9.00%
Attrition Rate	16.70%	12.00%
Weighted average duration of defined benefit obligation	5 Years	7 Years
Retirement Age	58 Years	58 Years
Mortality Rate	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban

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

\*\*Expected rate of return on plan assets is determined based on the nature of assets and prevailing economic scenario.

\*\*\* The estimate of future salary increases considered, takes into account inflation, seniority, promotion, increments and other relevant factors.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

(INR in Lakhs)

### vii. Sensitivity Analysis for each significant actuarial assumption:

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>Projected Benefit Obligation on Current Assumptions</b>	<b>877.91</b>	<b>760.14</b>
Impact of increase in discount rate by 1 %	(33.22)	(37.56)
Impact of decrease in discount rate by 1 %	36.30	41.76
Impact of increase in salary escalation rate by 1 %	32.99	38.24
Impact of decrease in salary escalation rate by 1 %	(30.91)	(35.18)
Impact of increase in employee turnover rate by 1 %	(5.33)	(5.25)
Impact of decrease in employee turnover rate by 1 %	5.60	5.57

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

### viii. Investment details of plan assets:

The plan assets are managed by Insurance Company viz Life Insurance Corporation of India who has invested the funds substantially as under:

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Insurance Fund - investment in LIC policy	835.21	702.48

### ix. Balance Sheet Reconciliation

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>Opening Net Liability</b>	57.67	93.45
Expense Recognised in Statement in profit or Loss	124.12	128.97
Expenses Recognised in OCI	0.97	(34.41)
Employer Contribution	(140.06)	(130.34)
<b>Net Liability/(Asset) recognised in the balance sheet</b>	<b>42.70</b>	<b>57.67</b>

### x. Maturity Profile

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
1 <sup>st</sup> Following Year	158.30	99.24
2 <sup>nd</sup> Following Year	126.81	79.27
3 <sup>rd</sup> Following Year	122.08	104.79
4 <sup>th</sup> Following Year	109.16	85.57
5 <sup>th</sup> Following Year	116.08	80.07
Sum of Years 6 to 10	344.01	351.87
Sum of Years 11 and above	261.58	422.00

### xi. Expected contribution during the next annual reporting period

The Company's best expected contribution during the next year is INR 166.83 Lakhs.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

**(c) Compensated absences:**

Actuarial Valuation for Compensated Absences is done as at the year end and the provision is made based on leave balances derived as per Company's Rules with corresponding charge to the Statement of Profit and Loss amounting to INR 55.25 Lakhs (Previous Year INR 72.76 Lakhs) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

**37**

The Company has taken various derivatives to hedge its risk associated with foreign exchange fluctuations. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets. Forward exchange contracts (being derivative instruments), which are not intended for trading or speculative purposes but for hedge purposes are entered, which are available at the settlement date of certain payables and receivables.

Particulars	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	Amount (in Lakhs)	Amount (INR in Lakhs)	Amount (in Lakhs)	Amount (INR in Lakhs)
Hedging of Trade Receivables				
Forward Contracts	USD 72.46	6,041.35	USD 50.55	4,153.69

The details of foreign currency exposures not hedged by derivative instruments are as under:

Particulars	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	Amount (in Lakhs)	Amount (INR in Lakhs)	Amount (in Lakhs)	Amount (INR in Lakhs)
Trade Receivables	USD 81.07	6,759.21	USD 66.40	5,460.20
	EURO 11.04	992.00	EURO 6.19	553.93
	JPY 1231.99	678.16	JPY 2002.00	1,233.23
	RUB 114.13	100.16	-	-
	CAD 0.01	0.75	-	-
Other Current Financial Assets	-	-	USD 5.62	461.72
Trade Payables	USD 15.27	1,273.14	USD 41.82	3,436.26
Other Current Financial Liability	-	-	USD 4.50	369.70

**38 FINANCIAL INSTRUMENTS: FAIR VALUE AND RISK MANAGEMENT****(i) Categories of Financial instruments: Financial assets and liabilities**

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Financial Assets :</b>		
<b>Amortised cost</b>		
Trade receivables	34,960.89	27,375.76
Cash and Cash equivalents	1,514.21	349.92
Bank Balances other than cash and cash equivalents	3,188.23	3,994.77
Other Financial Assets	2,429.71	4,654.40
<b>Fair value through profit or loss</b>		
Non-current Investment - Investments in Mutual Funds	-	12.46
Current Investment - Investments in Mutual Funds	24,370.19	13,693.01
Derivative instruments	12.12	25.00
<b>Total</b>	<b>66,475.35</b>	<b>50,105.32</b>



NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Financial Liabilities :</b>		
<b>Amortised cost</b>		
Borrowings (including current maturities)	622.98	3,123.56
Lease Liability	350.78	31.07
Trade payables	9,443.53	9,380.00
Other Financial Liabilities	2,420.63	3,134.35
<b>Fair value through profit or loss</b>		
Derivative instruments	-	-
	<b>12,837.92</b>	<b>15,668.98</b>

(ii) **Fair value hierarchy :**

**The fair values of the financial assets and liabilities are determined based on the price that would be received to sell an asset or paid to transfer a liability at the reporting date considering the fair value hierarchy as under.**

Level 1: It includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

**Fair value hierarchy**

The following tables categorise the financial assets and liabilities held at fair value by the valuation methodology applied in determining their fair value.

As at 31 <sup>st</sup> March 2024	Level 1	Level 2	Level 3	Total
<b>Financial Assets :</b>				
Investment in Mutual Funds	24,370.19	-	-	24,370.19
Derivative financial assets	-	12.12	-	12.12
<b>Financial liability:</b>				
Derivative financial liability	-	-	-	-
<b>As at 31<sup>st</sup> March 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets :</b>				
Investment in Mutual Funds	13,705.46	-	-	13,705.46
Derivative financial assets	-	25.00	-	25.00
<b>Financial liability:</b>				
Derivative financial liability	-	-	-	-

**Determination of fair values:**

**Basis of assumptions used to estimated the fair value of financial assets and liabilities that are measured at fair value on recurring basis :**

**Investment in Mutual Funds:** The fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

**Derivative instruments:** For forward contracts, future cash flows are estimated based on forward exchange rates and forward interest rates (from observable forward exchange rates / yield curves at the end of the reporting period) and contract forward exchange rates and forward interest rates, discounted at a rate that reflects the credit risk of various counterparties.

**(iii) Financial Risk Management**

The Company's activities are exposed to variety of financial risks. These risks include market risk (including foreign currency risk, interest rate risks and price risk), credit risks and liquidity risk. The Company's overall risk management program seeks to minimise potential adverse effects on the financial performance of the Company through established policies and processes which are laid down to ascertain the extent of risks, setting appropriate limits, controls, continuous monitoring and its compliance.

**A Market Risk :**

Market risk refers to the possibility that changes in the market rates may have impact on the Company's profits or the value of its holding of financial instruments. The Company is exposed to market risks on account of foreign currency rates, interest rates and underlying equity prices.

**A1 Foreign currency risk :**

The Company's foreign currency risk arises from its foreign currency transactions and foreign currency borrowings. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

The overall objective of the foreign currency risk management is to minimise the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

The major foreign currency exposures for the Company are denominated in USD. Additionally, there are transactions which are entered into in other currencies and are not significant in relation to the total volume of the foreign currency exposures. The Company hedges some trade receivables and future cash flows upto a maximum of 6 months forward based on historical trends, budgets and monthly sales estimates.

The following table sets forth information relating to foreign currency exposure:

<b>As at 31<sup>st</sup> March 2024</b>	<b>US Dollars</b>	<b>Others*</b>	<b>Total</b>
<b>Assets :</b>			
Trade and other receivables	12,800.56	1,771.07	14,571.63
<b>Total</b>	<b>12,800.56</b>	<b>1,771.07</b>	<b>14,571.63</b>
<b>Liabilities :</b>			
Trade and other payables	1,273.14	-	1,273.14
<b>Total</b>	<b>1,273.14</b>	<b>-</b>	<b>1,273.14</b>
<b>Net Balance (Assets - Liabilities)</b>	<b>11,527.42</b>	<b>1,771.07</b>	<b>13,298.49</b>
<b>As at 31<sup>st</sup> March 2023</b>	<b>US Dollars</b>	<b>Others*</b>	<b>Total</b>
<b>Assets :</b>			
Trade and other receivables	10,075.61	1,787.16	11,862.77
<b>Total</b>	<b>10,075.61</b>	<b>1,787.16</b>	<b>11,862.77</b>
<b>Liabilities :</b>			
Trade and other payables	3,805.96	-	3,805.96
<b>Total</b>	<b>3,805.96</b>	<b>-</b>	<b>3,805.96</b>
<b>Net Balance (Assets - Liabilities)</b>	<b>6,269.65</b>	<b>1,787.16</b>	<b>8,056.81</b>

\*Others mainly includes currencies namely Ruble, Euro and Japanese Yen.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

(INR in Lakhs)

### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD rates to the functional currency of entity, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material. The impact on the Company's profit after tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	Changes in USD rate	Effect on profit after tax
As at 31 <sup>st</sup> March 2024	+2%	82.11
	-2%	(82.11)
As at 31 <sup>st</sup> March 2023	+2%	93.83
	-2%	(93.83)

### A2 Interest rate risk :

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company is exposed to fluctuations in interest rates in respect of term loan carrying a floating rate of interest. In respect of term loan, the Company has outstanding borrowing of INR 622.98 Lakhs as at 31<sup>st</sup> March 2024 (As at 31<sup>st</sup> March 2023: INR 3,123.56 Lakhs) The following table demonstrates the sensitivity to a reasonable possible change on interest rates on that position of borrowing affected. with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate of borrowing as follows:

Particulars	Effect on Profit before tax	
	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Increase by 50 basis points	(3.11)	(15.62)
Decrease by 50 basis points	3.11	15.62

### A3 Price Risk :

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices which arises on account of movement in interest rates, liquidity and credit quality of underlying securities.

Particulars	Effect on Profit before tax	
	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Increase by 2% in prices of investment	487.40	274.11
Decrease by 2% in prices of investment	(487.40)	(274.11)

## B Credit Risk :

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The Company establishes a loss allowance that represents its estimate of expected losses in respect of trade receivables. The maximum exposure to credit risk as at reporting date is from trade receivables amounting to INR 139.07 Lakhs (31<sup>st</sup> March 2023: INR 87.30 Lakhs). The movement in loss allowance in respect of trade receivables during the year was as follows:

Movement in expected credit loss allowance on trade receivable	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Opening Balance	87.30	78.06
Add:- Loss Allowance	51.77	9.24
<b>Closing Balance</b>	<b>139.07</b>	<b>87.30</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

There are no trade receivables accounting for more than 10% of the Company's total trade receivables as at 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2023. Refer note 12 for ageing of trade receivables.

<b>Movement in expected credit loss allowance on Market Access Initiative Scheme (MAI scheme)</b>	<b>As at 31<sup>st</sup> March 2024</b>	<b>As at 31<sup>st</sup> March 2023</b>
Opening Balance	226.95	226.95
Add:- Loss Allowance	-	-
<b>Closing Balance</b>	<b>226.95</b>	<b>226.95</b>

**C Liquidity Risk :**

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity.

Contractual maturities of significant financial liabilities are as below:

<b>As at 31<sup>st</sup> March 2024</b>	<b>Less than 1 year</b>	<b>Between 1-2 years</b>	<b>Between 2 - 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Borrowings	622.98	-	-	-	622.98
Lease Liabilities	162.08	187.55	1.15	-	350.78
Trade payables	9,443.53	-	-	-	9,443.53
Other financial Liabilities	2,420.63	-	-	-	2,420.63
<b>Total</b>	<b>12,649.22</b>	<b>187.55</b>	<b>1.15</b>	<b>-</b>	<b>12,837.92</b>

<b>As at 31<sup>st</sup> March 2023</b>	<b>Less than 1 year</b>	<b>Between 1-2 years</b>	<b>Between 2 - 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Borrowings	2,500.00	623.56	-	-	3,123.56
Lease Liabilities	14.69	7.84	8.54	-	31.07
Trade payables	9,380.00	-	-	-	9,380.00
Other financial Liabilities	3,134.35	-	-	-	3,134.35
<b>Total</b>	<b>15,029.04</b>	<b>631.40</b>	<b>8.54</b>	<b>-</b>	<b>15,668.98</b>

**(iv) Capital Management**

The capital structure of the Company consists of equity and debt. The Company's objective for capital management is to maintain the capital structure which will support the Company's strategy to maximise shareholder's value, safeguarding the business continuity and help in supporting the growth of the Company.

The Company monitors capital using gearing ratio, which is net debt (total debt less Cash and cash equivalents) divided by Total Equity.

**Gearing Ratio**

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2024</b>	<b>As at 31<sup>st</sup> March 2023</b>
Total borrowings (Refer Note 18)	622.98	3,123.56
Less: Cash and cash equivalents [Refer Note 13(a)]	1,514.21	349.92
<b>Net Debt (A)</b>	<b>(891.23)</b>	<b>2,773.64</b>
<b>Total Equity (B)</b>	<b>1,52,525.21</b>	<b>1,29,198.04</b>
<b>Gearing Ratio (C=A/B)</b>	<b>(0.58%)</b>	<b>2.15%</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

(INR in Lakhs)

**39 RELATED PARTY TRANSACTIONS**

**(a) List of related parties and relationship**

<b>Key Management Personnel (KMP):</b>	Mr. Sudhir Vaid, Chairman & Managing Director	Mr. Amitabh Thakore, Independent Director
	Mr. Ankur Vaid, Joint Managing Director & CEO	Mrs. Bharti Khanna, Independent Director
	Mr. Utpal Sheth, Non-executive Director (upto 30 <sup>th</sup> September 2023)	Mr. Anil Katyal, Independent Director (Upto 25 <sup>th</sup> August 2023)
	Mr. Amit Varma, Non-executive Director (Upto 19 <sup>th</sup> August 2023)	Mr. Rajeev Agrawal, Independent Director (Upto 30 <sup>th</sup> May 2022)
	Mr. Rajiv Ambrish Agarwal, Non-executive Director	Mr. Arvind Agarwal, Independent Director (W.e.f 24 <sup>th</sup> May 2022)
	Mr. Ravi Kapoor, Non-executive Director	Mr. Jayaram Easwaran, Independent Director (W.e.f. 14 <sup>th</sup> June 2022)
	Mr. Lalit Sethi, Chief Financial Officer	Mr. Mandayam Chakravarthy Sriraman, Independent Director (W.e.f. 14 <sup>th</sup> June 2022)
	Mr. Prakash Sajnani, Asst. Vice President- Finance & Company Secretary	
<b>Relative of Key Management Personnel:</b>	Mrs. Manju Vaid	Mrs. Megha Vaid
	Col. S. K. Vaid	Mrs. Sonal Kumra
<b>Enterprises controlled by / under significantly influenced by Directors and/or their relatives:</b>	Sudman Consultants LLP	Ravi Kapoor & Associates
<b>Joint Venture:</b>	Concord Biotech Japan K.K.	

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

Transaction with related parties:	Key Management Personnel		Relatives of Key Management Personnel		Joint Venture		Enterprises controlled by / under significantly influenced by Directors and/or their relatives:		Total	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
	Types of Transactions	Key Management Personnel	Relatives of Key Management Personnel	Joint Venture	Enterprises controlled by / under significantly influenced by Directors and/or their relatives:	Total				
Remuneration Paid:										
Mr. Sudhir Vaid	501.60	501.60	-	-	-	-	501.60	-	501.60	501.60
Mr. Ankur Vaid	288.60	288.60	-	-	-	-	288.60	-	288.60	288.60
Mrs. Megha Vaid	-	63.87	76.76	-	-	-	76.76	-	76.76	63.87
Mrs. Sonal Kumra	-	70.58	84.79	-	-	-	84.79	-	84.79	70.58
Mr. Lalit Sethi	57.54	54.67	-	-	-	-	57.54	-	57.54	54.67
Mr. Prakash Sajinani	42.25	37.77	-	-	-	-	42.25	-	42.25	37.77
<b>Total</b>	<b>889.99</b>	<b>882.64</b>	<b>161.55</b>	<b>134.45</b>	<b>-</b>	<b>-</b>	<b>1,051.54</b>	<b>1,017.09</b>	<b>1,051.54</b>	<b>1,017.09</b>
<b>Professional Fees:</b>										
Ravi Kapoor & Associates	-	-	-	-	-	-	27.95	24.46	27.95	24.46
Col. S. K. Vaid	-	48.61	55.42	48.61	-	-	55.42	-	55.42	48.61
<b>Total</b>	<b>-</b>	<b>48.61</b>	<b>55.42</b>	<b>48.61</b>	<b>-</b>	<b>-</b>	<b>27.95</b>	<b>24.46</b>	<b>83.37</b>	<b>73.07</b>
<b>Rent paid:</b>										
Mr. Sudhir Vaid	130.11	121.60	-	-	-	-	130.11	-	130.11	121.60
Mrs. Manju Vaid	-	39.01	41.74	39.01	-	-	41.74	-	41.74	39.01
<b>Total</b>	<b>130.11</b>	<b>121.60</b>	<b>41.74</b>	<b>39.01</b>	<b>-</b>	<b>-</b>	<b>171.85</b>	<b>-</b>	<b>171.85</b>	<b>160.61</b>
<b>Sale of Products:</b>										
Concord Biotech Japan K.K.	-	-	-	-	4,305.98	5,395.70	4,305.98	-	4,305.98	5,395.70
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,305.98</b>	<b>5,395.70</b>	<b>4,305.98</b>	<b>-</b>	<b>4,305.98</b>	<b>5,395.70</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

(INR in Lakhs)

Types of Transactions	Key Management Personnel		Relatives of Key Management Personnel		Joint Venture		Enterprises controlled by / under significantly influenced by Directors and/or their relatives:		Total	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
<b>Director Sitting Fees:</b>										
Mr. Ravi Kapoor	4.00	2.20	-	-	-	-	-	-	4.00	2.20
Mr. Utpal Sheth	1.50	0.70	-	-	-	-	-	-	1.50	0.70
Mr. Rajiv Ambrish Agarwal	4.00	2.20	-	-	-	-	-	-	4.00	2.20
Mr. Amitabh Thakore	3.00	2.20	-	-	-	-	-	-	3.00	2.20
Mrs. Bharti Khanna	4.00	1.70	-	-	-	-	-	-	4.00	1.70
Mr. Anil Katyal	2.50	2.20	-	-	-	-	-	-	2.50	2.20
Mr. Mandayam Chakravarthy Sriraman	3.50	1.50	-	-	-	-	-	-	3.50	1.50
Mr. Arvind Agarwal	4.00	2.00	-	-	-	-	-	-	4.00	2.00
Mr. Jayaram Easwaran	4.00	2.00	-	-	-	-	-	-	4.00	2.00
<b>Total</b>	<b>30.50</b>	<b>16.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30.50</b>	<b>16.70</b>
<b>Dividend Paid:</b>										
Mr. Sudhir Vaid	2,060.58	1,544.68	-	-	-	-	-	-	2,060.58	1,544.68
Mrs. Manju Vaid	-	-	682.14	511.35	-	-	-	-	682.14	511.35
Mr. Ankur Vaid	40.06	30.03	-	-	-	-	-	-	40.06	30.03
Mrs. Megha Vaid	-	-	37.36	28.01	-	-	-	-	37.36	28.01
Mrs. Sonal Kumra	-	-	5.05	3.78	-	-	-	-	5.05	3.78
Mr. Ravi Kapoor	15.03	11.26	-	-	-	-	-	-	15.03	11.26
Mr. Rajiv Ambrish Agarwal	8.91	6.68	-	-	-	-	-	-	8.91	6.68
Mr. Prakash Sajinani	1.50	1.13	-	-	-	-	-	-	1.50	1.13
Sudman Consultants LLP	-	-	-	-	-	-	324.56	243.30	324.56	243.30
<b>Total</b>	<b>2,126.08</b>	<b>1,593.78</b>	<b>724.55</b>	<b>543.14</b>	<b>-</b>	<b>-</b>	<b>324.56</b>	<b>243.30</b>	<b>3,175.19</b>	<b>2,380.22</b>



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Joint Venture		Enterprises controlled by / under significantly influenced by Directors and/or their relatives:		Total	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
	<b>Payables for employee benefits:</b>									
Mr. Sudhir Vaid	20.70	20.70	-	-	-	-	-	-	20.70	20.70
Mr. Ankur Vaid	13.15	12.74	-	-	-	-	-	-	13.15	12.74
Mrs. Megha Vaid	-	-	3.45	3.20	-	-	-	-	3.45	3.20
Mrs. Sonal Kumra	-	-	3.39	3.62	-	-	-	-	3.39	3.62
Mr. Lalit Sethi	3.91	3.38	-	-	-	-	-	-	3.91	3.38
Mr. Prakash Sajnani	2.89	2.11	-	-	-	-	-	-	2.89	2.11
<b>Total</b>	<b>40.65</b>	<b>38.93</b>	<b>6.84</b>	<b>6.82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47.49</b>	<b>45.75</b>
<b>Trade Payables:</b>										
Ravi Kapoor & Associates	-	-	-	-	-	-	2.06	1.83	2.06	1.83
Col. S. K. Vaid	-	-	4.99	4.38	-	-	-	-	4.99	4.38
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4.99</b>	<b>4.38</b>	<b>-</b>	<b>-</b>	<b>2.06</b>	<b>1.83</b>	<b>7.05</b>	<b>6.21</b>
<b>Trade receivables:</b>										
Concord Biotech Japan K.K.	-	-	-	-	678.15	1,233.23	-	-	678.15	1,233.23
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>678.15</b>	<b>1,233.23</b>	<b>-</b>	<b>-</b>	<b>678.15</b>	<b>1,233.23</b>

1. Outstanding balance at the year end are unsecured and interest free and settlement occurs through bank.

2. Company has not provided any commitment to the related party as at 31<sup>st</sup> March 2024 (P.Y - Nil)

3. The Company has neither made any provision nor written off / written back any balances pertaining to related parties.

4. All above transactions are in the normal course of business and are made on terms equivalent to those that prevail arm's length transactions.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

(INR in Lakhs)

### 40 SEGMENT REPORTING

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

The Company is engaged in the business of manufacturing and trading in pharmaceutical products. The entire business is considered as a single operating segment for the purpose of making decision on allocation of resources and assessing its performance.

#### Geographical segment

Geographical segment is considered based on sales within India and outside India. In outside India, company separately disclosed sales to America and Others.

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>i) Segment Revenue</b>		
<b>Revenue from Operations [*]</b>		
(a) Within India	53,420.94	43,213.41
(b) Outside India		
(i) America	10,798.23	14,725.14
(ii) Others	37,474.75	27,378.27
<b>Total Revenue from Operations</b>	<b>1,01,693.92</b>	<b>85,316.82</b>
<b>ii) Non Current operating assets [**]:</b>		
(a) Within India	79,477.81	77,329.68
(b) Outside India	-	-
(i) America	-	-
(ii) Others	-	-
(c) Unallocable [***]	66.52	66.52
<b>Total Non Current operating assets</b>	<b>79,544.33</b>	<b>77,396.20</b>

[\*] The revenue information above is based on the locations of the customers.

[\*\*] Non Current Operating Assets for this purpose consist of property, plant and equipment, capital work-in-progress, intangible assets, right-of use assets and investment in joint venture.

[\*\*\*] Non Current Investment in Concord Biotech Japan K.K. is considered as unallocable.

#### Information about major customers:

There are no customers accounting for more than 10% of the Revenue in the year ended 31<sup>st</sup> March 2024 and Previous year 31<sup>st</sup> March 2023.

### 41 RESEARCH & DEVELOPMENT

The Company's facility is approved for Research & Development by Department of Science & Industrial Research (DSIR). The Company has incurred expenditure of revenue nature on Research & Development, details of which are as under:

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Cost of Materials Consumed	391.21	610.04
Salaries & Wages	1,088.43	1,046.42
Power & Fuel	90.57	66.18
Depreciation	162.96	182.98
Other Expenses	528.20	1,053.28
<b>Total</b>	<b>2,261.37</b>	<b>2,958.90</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

**42 DISCLOSURE REQUIREMENT AS PER SCHEDULE III**

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (v) The Company has not received any fund from any person(s) or entity (ies) including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (vii) The Company is not declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- (viii) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.
- (ix) The Company doesn't have any co-owned properties or the properties (including properties for which the lease agreement executed and disclosed as 'Right-of-Use Assets' in restated consolidated financial information) title deed of which are held by the others.
- (x) The Company has not granted any Loans or Advances in the nature of loans to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.
- (xi) The Company has used the borrowings from the banks for its intended purpose during the financial year.
- (xii) The Company did not have any transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the current and previous financial year.
- (xiii) Ratio Analysis

Name	Numerator	Denominator	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023	% Variance	Reason
(a) Current Ratio (in times)	Total current assets	Total current liabilities	6.30	3.82	64.92%	Current ratio has increased due to surplus fund parked in Current assets during the year.
(b) Debt-Equity Ratio (in times)	Debt consists of borrowings	Total equity	-	0.02	(100.00%)	Ratio has reduced due to repayments of quarterly instalments of term loan.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

(INR in Lakhs)

Name	Numerator	Denominator	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023	% Variance	Reason
(c) Debt Service Coverage Ratio (DSCR) (in times)	Earning for Debt Service = Net Profit after taxes + Depreciation and Amortisation expenses + Interest	Debt service = Interest and lease payments + Principal repayments	13.39	10.25	30.63%	DSCR has increased due to increase in profitability for the year.
(d) Return on Equity / Return on Networth Ratio (in %)	Profit for the year	Average total equity	22.00%	19.85%	10.83%	-
(e) Inventory turnover ratio (in times)	Cost of goods sold	Average inventory	1.09	0.88	23.86%	-
(f) Trade Receivables turnover ratio (in times)	Revenue from contract with customers	Average trade receivables	3.20	3.28	(2.44%)	-
(g) Trade payables turnover ratio (in times)	Purchases of materials and purchase of stock-in-trade	Average trade payables	2.38	2.21	7.69%	-
(h) Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	1.35	1.59	(15.09%)	-
(i) Net profit ratio (in %)	Profit for the year	Revenue from operations	30.00%	27.91%	7.49%	-
(j) Return on Capital employed (in %)	Profit before tax and finance costs (excl. Interest expense on lease liabilities)	Capital employed = Tangible Net worth + Total Borrowings + Deferred tax liabilities	26.00%	24.09%	7.93%	-
(k) Return on investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	8.00%	4.41%	81.40%	Increase in Return on Investment from Mutual fund are on account of fluctuation in market Yields.

### 43

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 Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on 13<sup>th</sup> November 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)**  
**FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

**44**

During the year ended 31<sup>st</sup> March 2024, the Company's equity shares have been listed on National Stock Exchange ("NSE") and on BSE Limited ("BSE") on 18<sup>th</sup> August 2023, by completing Initial Public Offering ("IPO") through offer for sale ("OFS") of 2,09,25,652 equity shares of face value of INR 1 each at an issue price of INR 741 per equity share by Helix Investment Holdings Pte Limited, Singapore ("selling shareholder").

The Company has received proceeds in the share escrow account amounting to INR 1,55,052.08 Lakhs out of which INR 1,48,814.66 Lakhs paid to selling shareholders and INR 5,669.89 Lakhs to various parties for initial public offer expenses. The remaining funds amounting to INR 567.53 Lakhs which are yet to be paid to the selling shareholders after payments of initial public offer expenses is held in share escrow account and disclosed under Note 13 Cash and Bank balances as "share escrow account".

The Company has receivable balance of share issue expenses in connection with the public offer of equity shares amounting to INR NIL (31<sup>st</sup> March 2023: INR 1,268.16 Lakhs). As per the Offer Agreement entered between the Company and the selling shareholders, the selling shareholders shall reimburse the share issue expenses except for the listing fees which has been solely borne by the Company. Accordingly, the Company has recovered the expenses incurred in connection with the Issue on completion of IPO during the current year. The entire amount was disclosed under the Note 14 Other Financial Assets as "IPO expense reimbursement receivable".

The Company has payable balance to selling shareholders and various parties for initial public offer expenses was disclosed under the Note 22 Other financial liabilities as "Payable to selling shareholders and others".

Being 100% offer for sale, the Company has not presented the utilisation of the proceeds of IPO. The unutilised amount as on 31<sup>st</sup> March 2024, is held in bank account with schedule commercial bank.

**45 DISCLOSURE FOR MAINTENANCE OF BOOKS OF ACCOUNTS WITH AUDIT TRAIL**

The Ministry of Corporate Affairs (MCA) has issued a notification dated 24<sup>th</sup> March 2021 (Companies(Accounts) Amendments Rules, 2021) which is effective from 1<sup>st</sup> April 2023, states that every Company which uses accounting software for maintaining its books of account shall use only such accounting software which has a feature of recording audit trail of each and every transaction, and further creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

In respect of Primary accounting software used from 1<sup>st</sup> April 2023 to 12<sup>th</sup> June 2023, there was no feature of recording the audit trail (edit log). Thereafter, the Company has upgraded to advanced version of the accounting software having feature of recording audit trail of each and every transaction, and creating an edit log of each change made along with the date when such changes were made and also audit trail cannot be disabled.

**46 EVENTS AFTER THE REPORTING PERIOD:**

The Board of Directors in their meeting held on 23<sup>rd</sup> May 2024, proposed a final equity dividend of INR 8.75 per equity share of INR 1 each fully paid up for the financial year 2023-24

For and on behalf of board of directors of  
 Concord Biotech Limited  
 CIN: L24230GJ1984PLC007440

**Sudhir Vaid**  
 Chairman & Managing Director  
 DIN: 00055967

**Ravi Kapoor**  
 Director  
 DIN: 00003847

**Lalit Sethi**  
 Chief Financial Officer

**Prakash Sajjani**  
 Asst. Vice President - Finance &  
 Company Secretary

Place: Ahmedabad  
 Date: 23<sup>rd</sup> May 2024



# INDEPENDENT AUDITOR'S REPORT

## To The Members of Concord Biotech Limited

### Report on the Audit of the Consolidated Financial Statements

#### OPINION

We have audited the accompanying consolidated financial statements of **Concord Biotech Limited** ("the Parent") and the share of profit in its joint venture, which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Parent and its joint venture as at 31<sup>st</sup> March 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

#### BASIS FOR OPINION

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

#### KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgment, 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. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Revenue Recognition:</b></p> <p>The Parent recognises revenue from sale of its products to its customers based on the terms and conditions of transactions which vary with different customers which determine the timing of the transfer of control of the products to the customer. The above was considered to be a key audit matter, since there is a risk of recognition of revenue in an incorrect period given the differing terms with the customers.</p>	<p><b>Principal audit procedures performed included the following:</b></p> <ul style="list-style-type: none"> <li>Evaluated the Parent's revenue recognition policy and assessed compliance with the Indian Accounting Standard (Ind AS).</li> <li>Obtained an understanding of the revenue recognition process and tested the design and implementation and operating effectiveness of the Parent's controls around the timely and accurate recording of sales transactions including controls around the identification and reversal of revenue in cases where it has been determined by the management that the control of goods has not been transferred to the customer.</li> <li>We selected samples from invoices for sales recorded by Parent near to year end date and obtained evidence of delivery, customer contracts, underlying invoices and related documents to support the revenue recognition / reversal of revenue as the case may be.</li> <li>Performed analytical procedures on current year revenue based on monthly trends and where required, conducting further enquiries and testing.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT (contd.)

### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report including annexures thereof, Management Discussion and Analysis, Business Responsibility and Sustainability Report and Corporate Governance Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the joint venture furnished to us by the management, to the extent it relates to this entity and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the joint venture, is traced from its unaudited financial statements furnished to us by the management.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Parent and of its joint venture in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the Parent 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 the Parent and its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making

judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the Parent and of its joint venture are responsible for assessing the ability of the respective entities 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 intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Parent and of its joint venture are also responsible for overseeing the financial reporting process of the Parent and of its joint venture.

### AUDITOR'S RESPONSIBILITY 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.



## INDEPENDENT AUDITOR'S REPORT (contd.)

- Obtain an understanding of internal financial controls 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 Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Parent and its joint venture 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 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 Parent 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.

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

We communicate with those charged with governance of the Parent 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 financial controls 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 auditor's 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

The consolidated financial statements include the Parent's share of net profit of INR 81.29 Lakhs for the year ended 31<sup>st</sup> March 2024, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements are unaudited and 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 this joint venture, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to the financial statements certified by the Management.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit 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 maintained by the Parent and its joint venture including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears

## INDEPENDENT AUDITOR'S REPORT (contd.)

from our examination of those books except for not complying with the requirement of audit trail as stated in (i)(vi) below.

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity 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 Parent as on 31<sup>st</sup> March 2024 taken on record by the Board of Directors of the Parent, none of the directors of the Parent is disqualified as on 31<sup>st</sup> March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.
- g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of the Parent.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of

our information and according to the explanations given to us:

- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Parent and its joint venture - Refer Note 34(b) and Note 46 to the consolidated financial statements.
- ii) The Parent and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent.
- iv) (a) The Management of the Parent, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, as disclosed in the Note 42(iv) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management of the Parent, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, as disclosed in the Note 42(v) to the consolidated financial statements, no funds have been received by the Parent from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent shall, directly or indirectly,



## INDEPENDENT AUDITOR'S REPORT (contd.)

lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The final dividend proposed in the previous year, declared and paid by the Parent during the year is in accordance with section 123 of the Act, as applicable.

As stated in Note 48 to the consolidated financial statements, the Board of Directors of the Parent, have proposed final dividend for the year which is subject to the approval of the members of the Parent at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi) Based on our examination which included test checks, the Parent incorporated in India has used accounting software for maintaining its books of account for the financial year ended 31<sup>st</sup> March 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except from 1<sup>st</sup> April 2023 to 12<sup>th</sup> June 2023 (Refer Note 45 to the consolidated financial statements).

Further, during the course of audit, we have not come across any instance of the audit trail feature being tampered with in respect of the accounting software for the period for which the audit trail feature was operating.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1<sup>st</sup> April 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31<sup>st</sup> March 2024.

2. With respect to the matters specified in Clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/"the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the audit report under section 143 issued by us, we report that CARO is applicable only to the Parent and not to any other company included in the consolidated financial statements. We have not reported any qualification or adverse remark in the CARO report of the Parent.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No.117365W)

**Hardik Sutaria**  
(Partner)  
(Membership No. 116642)  
(UDIN: 24116642BKDLCL7496)

Place: Ahmedabad  
Date: 23<sup>rd</sup> May 2024



## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as at and for the year ended 31<sup>st</sup> March 2024, we have audited the internal financial controls with reference to consolidated financial statements of **Concord Biotech Limited** (hereinafter referred to as "Parent"), as of that date.

#### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Parent, is responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated 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 "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Parent'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.

#### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Parent's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was 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 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 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 Parent'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 control 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 control 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



## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (contd.)

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 control 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.

### OPINION

In our opinion to the best of our information and according to the explanations given to us, the Parent, has, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31<sup>st</sup> March 2024, based on the internal control with reference

to consolidated 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.

For **Deloitte Haskins & Sells**

Chartered Accountants  
(Firm's Registration No.117365W)

**Hardik Sutaria**

(Partner)

(Membership No. 116642)  
(UDIN: 24116642BKDLCL7496)

Place: Ahmedabad

Date: 23<sup>rd</sup> May 2024

# CONSOLIDATED BALANCE SHEET

AS AT 31<sup>st</sup> MARCH 2024

(INR in Lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Assets</b>			
<b>I. Non-current assets</b>			
(a) Property, plant and equipment	5 (A)	57,173.27	59,252.26
(b) Capital work-in-progress	5 (B)	21,148.24	17,269.71
(c) Intangible assets	6	31.97	19.77
(d) Right-of use assets	7	326.34	25.99
(e) Investment accounted for using the equity method	8 (a)	205.86	-
(f) Financial assets			
(i) Investments	8 (a)	-	12.46
(ii) Other Financial Assets	9	496.95	1,019.51
(g) Other non-current assets	10	797.99	761.95
(h) Income tax assets (Net)	20 (d)	267.12	266.52
<b>Total non-current assets (A)</b>		<b>80,447.74</b>	<b>78,628.17</b>
<b>II. Current assets</b>			
(a) Inventories	11	20,795.38	21,231.47
(b) Financial assets			
(i) Investments	8 (b)	24,370.19	13,693.01
(ii) Trade receivables	12	34,960.89	27,375.76
(iii) Cash and cash equivalents	13 (a)	1,514.21	349.92
(iv) Bank balances other than (iii) above	13 (b)	3,188.23	3,994.77
(v) Other Financial Assets	14	1,944.88	3,659.90
(c) Other Current assets	15	2,849.33	2,465.18
<b>Total current assets (B)</b>		<b>89,623.11</b>	<b>72,770.01</b>
<b>TOTAL ASSETS (A) + (B)</b>		<b>1,70,070.85</b>	<b>1,51,398.18</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	16	1,046.16	1,046.16
(b) Other equity	17	1,51,618.39	1,27,954.09
<b>Total equity (A)</b>		<b>1,52,664.55</b>	<b>1,29,000.25</b>
<b>LIABILITIES</b>			
<b>I. Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	-	623.56
(ii) Lease liabilities	7	188.70	16.38
(b) Provisions	19	195.61	229.66
(c) Deferred tax liabilities (net)	20 (b)	2,806.45	2,343.90
<b>Total non-current liabilities (B)</b>		<b>3,190.76</b>	<b>3,213.50</b>
<b>II. Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	622.98	2,500.00
(ii) Lease liabilities	7	162.08	14.69
(iii) Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		961.54	1,702.27
Total outstanding dues of creditors other than micro enterprises and small enterprises		8,481.99	7,677.73
(iv) Others Financial Liabilities	22	2,420.63	3,134.35
(b) Provisions	19	390.19	2,747.57
(c) Other current liabilities	23	626.75	507.95
(d) Current tax liabilities (net)	20 (d)	549.38	899.87
<b>Total current liabilities (C)</b>		<b>14,215.54</b>	<b>19,184.43</b>
<b>Total Liabilities (D)</b>		<b>17,406.30</b>	<b>22,397.93</b>
<b>TOTAL EQUITY AND LIABILITIES (A) + (D)</b>		<b>1,70,070.85</b>	<b>1,51,398.18</b>
See accompanying notes forming part of the Consolidated Financial Statements	1 to 48		

As per our attached report of even date

**For Deloitte Haskins & Sells**  
*Chartered Accountants*

For and on behalf of board of directors of  
Concord Biotech Limited  
CIN: L24230GJ1984PLC007440

**Hardik Sutaria**  
*Partner*
**Sudhir Vaid**  
*Chairman & Managing Director*  
DIN: 00055967

**Ravi Kapoor**  
*Director*  
DIN: 00003847

**Lalit Sethi**  
*Chief Financial Officer*
**Prakash Sajnani**  
*Asst. Vice President - Finance & Company Secretary*

Place: Ahmedabad  
Date: 23<sup>rd</sup> May 2024

Place: Ahmedabad  
Date: 23<sup>rd</sup> May 2024



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024

(INR in Lakhs, except per share data)

Particulars	Note No.	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>Income</b>			
Revenue from operations	24	1,01,693.92	85,316.82
Other income	25	3,378.00	3,530.93
<b>TOTAL INCOME</b>		<b>1,05,071.92</b>	<b>88,847.75</b>
<b>Expenses</b>			
Cost of materials consumed	26	18,453.71	16,707.15
Purchases of stock-in-trade		5,673.89	2,876.87
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(1,207.79)	(1,563.20)
Employee benefits expense	28	12,304.67	11,027.85
Finance costs	29	255.19	451.03
Depreciation and amortisation expense	30	5,359.15	5,403.24
Other expenses	31	23,313.73	21,939.40
<b>TOTAL EXPENSES</b>		<b>64,152.55</b>	<b>56,842.34</b>
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>			
<b>PROFIT BEFORE TAX</b>		<b>40,919.37</b>	<b>32,005.41</b>
Share of Profit / (loss) of Joint venture accounted using Equity method (Refer note 8 (a) (i))		337.13	195.93
<b>Profit before tax</b>		<b>41,256.50</b>	<b>32,201.34</b>
<b>Tax expenses</b>	20		
Current tax		9,983.39	7,953.00
Deferred tax		462.79	238.16
Short / (excess) provision for tax of earlier years		-	1.61
<b>Total tax expenses</b>		<b>10,446.18</b>	<b>8,192.77</b>
<b>Profit for the year</b>		<b>30,810.32</b>	<b>24,008.57</b>
Other Comprehensive Income / (loss)			
Items that will not be reclassified to the statement of Profit or Loss			
Re-measurement gain/ (loss) on defined benefit plans		(0.97)	34.41
Income tax relating to re-measurement gain/ (loss) on defined benefit plans		0.24	(8.66)
<b>OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR</b>		<b>(0.73)</b>	<b>25.75</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>30,809.59</b>	<b>24,034.32</b>
Profit for the year attributable to:			
Owners of the Company		30,810.32	24,008.57
		<b>30,810.32</b>	<b>24,008.57</b>
Total Other Comprehensive Income / (Expense) for the year attributable to:			
Owners of the Company		(0.73)	25.75
		<b>(0.73)</b>	<b>25.75</b>
Total Comprehensive Income for the year attributable to:			
Owners of the Company		30,809.59	24,034.32
		<b>30,809.59</b>	<b>24,034.32</b>
Earnings per share (Nominal value per equity share of INR 1 each)			
Basic and diluted (Refer note 32)		29.45	22.95
See accompanying notes forming part of the Standalone Financial Statements	1 to 48		

As per our attached report of even date

For **Deloitte Haskins & Sells**  
Chartered AccountantsFor and on behalf of board of directors of  
Concord Biotech Limited  
CIN: L24230GJ1984PLC007440**Hardik Sutaria**  
Partner**Sudhir Vaid**  
Chairman & Managing Director  
DIN: 00055967**Ravi Kapoor**  
Director  
DIN: 00003847**Lalit Sethi**  
Chief Financial Officer**Prakash Sajjani**  
Asst. Vice President - Finance & Company SecretaryPlace: Ahmedabad  
Date: 23<sup>rd</sup> May 2024Place: Ahmedabad  
Date: 23<sup>rd</sup> May 2024

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024

(INR in Lakhs)

## A. EQUITY SHARE CAPITAL

Particulars	As at	As at
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Opening balance	1,046.16	951.06
Changes during the year	-	95.10
<b>Closing Balance</b>	<b>1,046.16</b>	<b>1,046.16</b>

## B. OTHER EQUITY

Particulars	Reserves and Surplus			Total Other Equity
	Retained Earnings	General Reserve	Securities Premium	
<b>Balance as at 1<sup>st</sup> April 2022</b>	<b>98,157.23</b>	<b>2,921.79</b>	<b>8,292.20</b>	<b>1,09,371.22</b>
Profit for the year	24,008.57	-	-	24,008.57
Other comprehensive Income (Net of tax)	25.75	-	-	25.75
<b>Total Other Comprehensive Income</b>	<b>24,034.32</b>	<b>-</b>	<b>-</b>	<b>24,034.32</b>
<b>Transactions recorded directly in equity</b>				
Bonus [Refer Note 16(v)]	-	-	(95.10)	(95.10)
Dividend*	(5,356.35)	-	-	(5,356.35)
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>1,16,835.20</b>	<b>2,921.79</b>	<b>8,197.10</b>	<b>1,27,954.09</b>
Profit for the year	30,810.32	-	-	30,810.32
Other comprehensive Income (Net of tax)	(0.73)	-	-	(0.73)
<b>Total Other Comprehensive Income</b>	<b>30,809.59</b>	<b>-</b>	<b>-</b>	<b>30,809.59</b>
<b>Transactions recorded directly in equity</b>				
Dividend**	(7,145.29)	-	-	(7,145.29)
<b>Balance as at 31<sup>st</sup> March 2024</b>	<b>1,40,499.50</b>	<b>2,921.79</b>	<b>8,197.10</b>	<b>1,51,618.39</b>

\*Final Dividend of INR 5.12 per equity share for the FY 2021-22.

\*\*Final Dividend of INR 6.83 per equity share for the FY 2022-23.

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

For and on behalf of board of directors of  
Concord Biotech Limited  
CIN: L24230GJ1984PLC007440

**Hardik Sutaria**

Partner

**Sudhir Vaid**

Chairman & Managing Director  
DIN: 00055967

**Ravi Kapoor**

Director  
DIN: 00003847

**Lalit Sethi**

Chief Financial Officer

**Prakash Sajnani**

Asst. Vice President - Finance & Company Secretary

Place: Ahmedabad  
Date: 23<sup>rd</sup> May 2024

Place: Ahmedabad  
Date: 23<sup>rd</sup> May 2024





# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024

(INR in Lakhs)

Particulars	For the Year ended 31 <sup>st</sup> March 2024	For the Year ended 31 <sup>st</sup> March 2023
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax as per Statement of Profit and Loss	41,256.50	32,201.34
Adjustment for:	-	-
Share of Loss/(profit) from Joint Venture	(337.13)	(195.93)
Depreciation and amortisation expenses	5,359.15	5,403.24
Interest Income	(304.11)	(444.08)
Finance Cost	255.19	451.03
Interest Subsidy Income	(107.96)	(229.47)
(Reversal) /Provision of doubtful debts, net	66.94	9.24
Excess provision no longer required written back	(3.81)	(175.09)
Profit/loss on sale/discard of Property, plant & equipment	(1.19)	9.40
Net gain on sale of investments	(345.14)	(299.36)
Net gain on financial assets measured at fair value through profit or loss	(1,061.33)	(72.33)
Net unrealised foreign exchange (gain) / loss	222.54	195.35
Loss Due to Fire	-	3.05
<b>Operating Profit before Working Capital Changes</b>	<b>44,999.65</b>	<b>36,856.39</b>
<b>Working Capital Changes:</b>		
(Increase)/Decrease in Inventories	436.09	(1,722.73)
(Increase)/Decrease in trade receivables	(7,865.96)	(4,309.71)
(Increase)/Decrease in other financial assets	489.52	(1,546.67)
(Increase)/Decrease in other assets	(456.23)	(366.43)
Increase/(Decrease) in provisions	(205.83)	2,649.46
Increase/(Decrease) in trade payables	(1,128.66)	988.06
Increase/(Decrease) in other financial liabilities	363.01	149.66
Increase/(Decrease) in other liabilities	250.08	(1,070.19)
	<b>(8,117.98)</b>	<b>(5,228.55)</b>
<b>Cash generated from operations</b>	<b>36,881.67</b>	<b>31,627.84</b>
Direct Taxes paid (Net of Income Tax refund)	(10,334.96)	(7,027.66)
<b>Net cash generated from operating activities</b>	<b>26,546.71</b>	<b>24,600.18</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, plant & equipment and Intangible Assets (including CWIP and capital advance)	(8,568.85)	(14,508.48)
Proceeds from disposal of Property, plant & equipment	17.51	2.53
Purchase of Current Investments	(83,810.00)	(64,309.92)
Proceeds from sale of Current Investment	74,551.74	58,349.04
Interest received	277.28	558.49
Proceeds from /(Deposits in) Bank Deposits (Net) (including margin money deposit)	2,071.39	4,113.33
<b>Net cash used in investing activities</b>	<b>(15,460.93)</b>	<b>(15,795.01)</b>

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

(INR in Lakhs)

Particulars	For the Year ended 31 <sup>st</sup> March 2024	For the Year ended 31 <sup>st</sup> March 2023
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Long Term borrowings	(2,500.58)	(2,500.00)
Proceeds / (Repayment) from short term borrowings (Net)	-	(433.72)
Dividend Paid	(7,145.29)	(5,356.35)
Interest Paid	(220.88)	(377.63)
Interest Subsidy Received	139.12	323.56
Principal Payment of Lease Liabilities	(149.78)	(159.61)
Interest paid on Lease Liabilities	(44.08)	(18.19)
<b>Net cash used in financing activities</b>	<b>(9,921.49)</b>	<b>(8,521.94)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>	<b>1,164.29</b>	<b>283.23</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>349.92</b>	<b>66.69</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>1,514.21</b>	<b>349.92</b>

### Reconciliation of Cash and cash equivalents

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Cash and Cash Equivalents:		
Cash on hand	2.73	1.63
Balance with Banks	1,511.48	348.29
<b>Cash and cash equivalents as per Balance Sheet [Refer Note 13(a)]</b>	<b>1,514.21</b>	<b>349.92</b>

### Notes to the consolidated cashflow statement

**Note 1:** The cash flow statement has been prepared under the indirect method as set out in Ind AS 7 statement of cash flows.

**Note 2 :** The above statement of cash flows excludes the proceeds received in the share escrow account amounting to INR 1,55,052.08 Lakhs on account of offer for sale made by the selling shareholders. Book running lead manager disbursed INR 1,48,814.66 Lakhs to its selling shareholders and INR 5,669.89 Lakhs to various parties for initial public offer expenses. The remaining funds amounting to INR 567.53 Lakhs which are yet to be paid to the selling shareholders after payments of initial public offer expenses is held in share escrow account.

### Disclosure under para 44A as set out in Ind AS 7 on cash flow statements as under companies (Indian Accounting Standards) Rules, 2015 (as amended)

Particulars	As at 1 <sup>st</sup> April 2023	Cash flows	Non-cash Movement	As at 31 <sup>st</sup> March 2024
Borrowings (including current maturities) (Note - 18)	3,123.56	(2,500.58)	-	622.98
Lease Liability (Note - 7)	31.07	(193.86)	513.57	350.78
Interest accrued but not paid (Note - 22)	25.97	(220.88)	205.30	10.39
<b>Total liabilities from financing activities</b>	<b>3,180.60</b>	<b>(2,915.32)</b>	<b>718.87</b>	<b>984.15</b>



# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024 (contd.)

(INR in Lakhs)

**Disclosure under para 44A as set out in Ind AS 7 on cash flow statements as under companies (Indian Accounting Standards) Rules, 2015 (as amended)**

Particulars	As at 1 <sup>st</sup> April 2022	Cash flows	Non-cash Movement	As at 31 <sup>st</sup> March 2023
Borrowings (including current maturities) (Note - 18)	6,058.58	(2,933.72)	(1.30)	3,123.56
Lease Liability (Note - 7)	190.68	(177.80)	18.19	31.07
Interest accrued but not paid (Note - 22)	36.32	(377.63)	367.28	25.97
<b>Total liabilities from financing activities</b>	<b>6,285.58</b>	<b>(3,489.15)</b>	<b>384.17</b>	<b>3,180.60</b>

See accompanying notes forming part of the Standalone financial statements

As per our attached report of even date

For **Deloitte Haskins & Sells**  
Chartered Accountants

For and on behalf of board of directors of  
Concord Biotech Limited  
CIN: L24230GJ1984PLC007440

**Hardik Sutaria**  
Partner

**Sudhir Vaid**  
Chairman & Managing Director  
DIN: 00055967

**Ravi Kapoor**  
Director  
DIN: 00003847

**Lalit Sethi**  
Chief Financial Officer

**Prakash Sajjani**  
Asst. Vice President - Finance & Company Secretary

Place: Ahmedabad  
Date: 23<sup>rd</sup> May 2024

Place: Ahmedabad  
Date: 23<sup>rd</sup> May 2024

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

## 1. CORPORATE INFORMATION

Concord Biotech Limited (the Company) is a public limited company incorporated and domiciled in India, having registered office at 1482-86 Trasad Road, Dholka, Ahmedabad – 382225 and corporate office is located at B-1601 & B-1602, Mondeal Heights, S G highway, Ahmedabad-380051. The Company is engaged in research and development, manufacturing, marketing and selling of pharmaceutical products. The Company's API manufacturing facilities are located at Dholka and Limbasi, and its formulations facility at Valthera in the state of Gujarat, India.

The Company's equity shares have been listed on National Stock Exchange ("NSE") and on BSE Limited ("BSE") on 18<sup>th</sup> August 2023, by completing Initial Public Offering ("IPO") through offer for sale ("OFS") of 2,09,25,652 equity shares of face value of INR 1 each at an issue price of INR 741 per equity share by Helix Investment Holdings Pte Limited, Singapore ("selling shareholder").

## 2. BASIS OF PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

### 2.1. Statement of compliance

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III) (as amended from time to time).

These consolidated financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, 31<sup>st</sup> March 2024. These consolidated financial statements were authorised for issuance by the Company's Board of Directors on 23<sup>rd</sup> May 2024.

### 2.2. Functional and Presentation Currency

The consolidated financial statements are presented in Indian Rupees (INR), the currency of the primary economic environment in which the Company operates. All the amounts are rounded to the nearest rupee Lakhs, unless otherwise indicated. Transaction and balances with values below INR 50,000 have been reflected as "0.00" in consolidated financial statements.

### 2.3. Basis of Measurement

#### a) Historical cost convention

The consolidated financial statements have been prepared on the historical cost basis (i.e. on accrual basis), except for the following items:

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value or amortised cost and
- Net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligations.

### 2.4. Measurement of Fair Value

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value measurement and/or disclosure purposes in the financial statements is determined on such a basis except for leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 Inventories.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)

for overseeing all significant fair value measurements, including Level 3 fair values.

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

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

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

### 2.5. Basis of consolidation

The Company's interests in equity accounted investees comprise interest in joint venture.

A joint venture is an arrangement in which the Company has joint control, whereby the Company has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in a joint venture are accounted for using the equity method. It is initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Company's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

The carrying amount of such the investment is tested for impairment at each reporting date.

### 2.6. Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues

and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

### 2.7. Assumptions and estimation uncertainties:

Key source of estimation of uncertainty at the date of consolidated financial statements, which may cause material adjustment to the carrying amount of assets and liabilities within the next financial year, is in respect of:

- Useful lives of property, plant and equipment (Refer note no. 3.1)
- Leases-Company as a lessee (Refer note no. 3.5)
- Valuation of Inventories (Refer note no. 3.6)
- Employee benefits (refer note no.3.8)
- Provisions & Contingent Liabilities (Refer note no. 3.9)
- Recognition of deferred tax assets (Refer note no. 3.12)
- Impairment of financial assets (Refer note no. 3.7)
- Estimate of expected return (Refer note no. 3.11)
- Measurement of ECL allowance for trade and finance receivables. (Refer note no. 3.7.3)

### 2.8. Current versus non-current classification:

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

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

#### Assets

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

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)

- it is held for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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

### Liabilities

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

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

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

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

### Operating cycle

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

## 3. MATERIAL ACCOUNTING POLICIES

### 3.1. Property, Plant and Equipment

#### i. Recognition and measurement

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and any accumulated impairment losses. The cost of Plant, Property & Equipment comprises of its purchase price, non-refundable taxes & levies, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing cost attributable to financing of acquisition or construction of the qualifying Property, Plant and Equipment is capitalised to respective assets when the time taken to put the assets to use is substantial.

When major items of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. The cost of replacement of any property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefit associated with the item will flow to the Company and its cost can be measured reliably.

Capital work-in-progress comprises cost of Property, Plant and Equipment those are not yet installed and ready for their intended use at the Balance sheet date.

Pre-operative expenditure comprising of revenue expenses incurred in connection with project implementation during the period up to commencement of commercial production are treated as part of the project costs and are capitalised. Such expenses are capitalised only if the project to which they relate, involve substantial expansion of capacity or upgradation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from its use. Difference between the sales proceeds and the carrying amount of the asset is recognised in profit and loss.

#### ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

#### iii. Depreciation

Freehold land is carried at historical cost and not depreciated. Depreciation on Property, Plant and Equipment is provided using straight line method based as per the useful life prescribed in Schedule II to the Companies Act, 2013. Depreciation on assets added / disposed off during the year is provided on pro-rata basis with reference to month of addition / disposal. The estimated useful lives, residual values and depreciation method are reviewed at each financial year-end and changes in estimates, if any are accounted for on a prospective basis. The residual values are not more than 5% of the original cost of asset.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)

### 3.2. Intangible Assets

#### i. Recognition and measurement

Intangible assets acquired separately are measured at cost of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses if any.

Intangible assets are amortised over the estimated useful life of three years which reflects the manner in which the economic benefit is expected to be generated. The estimated useful life of amortisable intangibles is reviewed at the end of each reporting period and change in estimates if any are accounted for on a prospective basis.

#### ii. Subsequent Expenditure

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

#### iii. Amortisation

Intangible assets are amortised on a straight line basis over the estimated useful life.

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

### 3.3. Foreign currency Transaction and Translation

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognised as income or expense of the period in which they arise. Monetary assets and liabilities denominated in foreign currency as at the balance sheet date are translated at the closing rate. The resultant exchange rate differences are recognised in the statement of profit and loss. Non-monetary assets and liabilities are carried at the rates prevailing on the date of transaction.

### 3.4. 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 and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

### 3.4.1. Financial assets

#### (a) Classification of financial assets:

The Company classifies its financial assets in the following measurement categories:

- those measured at amortised cost.
- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss) and

The classification depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

#### (b) Recognition and initial measurement:

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

#### (c) Subsequent measurement:

##### • Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

##### • Fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)

fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.

- **Fair value through profit or loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains / (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

**(d) Derecognition of financial assets:**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset

When the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset

is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of financial asset, the financial asset is derecognised if the Company has not retained control over the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**(e) Income recognition:**

Dividend is accounted when the right to receive payment is established.

**(f) Cash and cash equivalents:**

Cash and cash equivalents consists of cash on hand, bank balances, short demand deposits and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value. Short term means investments with original maturities / holding period of three months or less from the date of investments. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

**(g) Investments:**

Investments in mutual funds are primarily held for the Company's temporary cash requirements and can be readily convertible in cash. These investments are initially recorded at fair value and classified as fair value through profit or loss.

**(h) Trade receivables:**

Trade receivables are amounts due from customers for sale of goods or services performed in the ordinary course of business. Trade receivables are initially recognised at its transaction price which is considered to be its fair value and are classified as current assets as it is expected to be received within the normal operating cycle of the business.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)

### 3.4.2. Financial liabilities

The Company's financial liabilities include trade payables, loans, borrowing and derivative financial instruments.

**(a) Classification:**

All the Company's financial liabilities, except for financial liabilities at fair value through profit or loss, are measured at amortised cost.

**(b) Initial measurement:**

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**(c) Subsequent measurement:**

Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate Method. The Effective Interest Rate Method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**(d) Derecognition of financial liabilities:**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or waived off or have expired. An exchange between the Company and the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying

amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**(e) Borrowings:**

Borrowings are initially recorded at fair value and subsequently measured at amortised costs using effective interest rate method. Transaction costs are charged to statement of profit and loss as financial expenses over the term of borrowing.

**(f) Trade payables:**

Trade payables are amounts due to vendors for purchase of goods or services acquired in the ordinary course of business and are classified as current liabilities to the extent it is expected to be paid within the normal operating cycle of the business

### 3.4.3. Derivative Financial Instruments:

The Company enters into derivative financial instruments to manage its foreign exchange rate risk. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

### 3.5 Leases – Company as lessee

At inception of a contract, the Company assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified assets 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 contract involves the use of an identified asset, the Company has a right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use and the Company has the right to direct the use of the asset.

At the inception date, right-of-use asset ("ROU") is recognised at cost which includes present value of lease payments adjusted for any payments made on or before the commencement of lease and initial direct cost, if any. It is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. Right-of-use asset ("ROU") is depreciated using the straight-line method from the

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)

commencement date over the earlier of useful life of the asset or the lease term. When the Company has purchase option available under lease and cost of right-of-use assets ("ROU") reflects that purchase option will be exercised, right-of-use asset is depreciated over the useful life of underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

At the inception date, lease liability is recognised at present value of lease payments that are not made at the commencement of lease. Lease liability is subsequently measured by adjusting carrying amount to reflect interest, lease payments and remeasurement, if any.

Lease payments are discounted using the incremental borrowing rate or interest rate implicit in the lease, if the rate can be determined.

The Company has elected not to apply requirements of Ind AS 116 to leases that has a term of 12 months or less and leases for which the underlying asset is of low value. Lease payments of such lease are recognised as an expense on straight line basis over the lease term.

### 3.6 Inventories

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

The cost incurred in bringing the inventory to their existing location and conditions are determined as follows:

- (a) Raw Material and Packing Material - Purchase cost of materials on FIFO basis.
- (b) Finished Goods (Manufactured) and work in progress - Cost of purchase, conversion cost, and other costs attributable to inventories.
- (c) Trading goods - Purchase cost on FIFO basis.

The cost of purchase of inventories comprises the purchase price, import duties and other taxes (other than those subsequently recovered by the Company from taxing authorities), and transport, handling and other costs directly attributable to the bringing the inventory to their existing location and conditions. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make

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

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

Provisions are made towards slow-moving and obsolete items based on historical experience of utilisation on a product category basis, which consideration of product lines and market conditions.

### 3.7 Impairment of Assets

#### 3.7.1 Financial Assets

At each balance sheet date, the Company assesses whether a financial asset is to be impaired. Ind AS 109 requires expected credit losses to be measured through loss allowance. The Company measures the loss allowance for financial assets at an amount equal to lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for financial assets at an amount equal to 12-month expected credit losses. Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

#### 3.7.2 Non-financial Assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell or 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.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss to such



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)

extent. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, such that the increase in the carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 3.7.3 Presentation of allowance for ECL in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

### 3.7.4 Credit-impaired financial assets

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

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

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

### 3.7.5 Write Off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 3 years past due based on historical

experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

## 3.8 Employee Benefits

### 3.8.1 Short term employee benefits

Short term benefits payable before twelve months after the end of the reporting period in which the employees have rendered service are accounted as expense in profit and loss account.

### 3.8.2 Long term employment benefits

#### Defined Contribution Plans

Contributions to defined contribution plans (provident fund and other social security schemes) are recognised as expense when employees have rendered services entitling them to such benefits.

#### Defined Benefit Plans

The Company's net obligation in respect of an approved gratuity plan, which is defined benefit plan, is calculated using the projected unit credit method and the same is carried out by qualified actuary. The current service cost and net interest on the net defined benefit liability (asset) is recognised in the statement of profit and loss. Past service cost are immediately recognised in the statement of profit and loss. Actuarial gains and losses net of deferred taxes arising from experience adjustment and changes in actuarial assumptions are recognised in other comprehensive income in the period in which they arise.

#### Compensated absences and earned leaves

The Company's current policy permit eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company expects to pay as a result of unused entitlement that has accumulated as at the reporting date. The expected cost of these benefits is calculated

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)

using the projected unit credit method by qualified actuary every year. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

The liability in respect of all defined benefit plans and other long-term benefits is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

### 3.9 Contingent liabilities, contingent assets and provisions

#### (a) Contingent liabilities:

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the enterprise are disclosed as Contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

#### (b) Contingent assets:

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

#### (c) Provisions (other than employee benefits):

A provision is recognised when as a result of a past event, the Company has a present obligation whether legal or constructive that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the obligation is expected to be settled more than 12 months after the end of reporting date or has no definite settlement date, the provision is recorded as non-current liabilities after giving effect for time value of money, if material. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

### 3.10 Government Grant

The Company recognises government grants at their fair value only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received.

Government grants received in relation to assets are recognised directly to respective assets for which it is received. Government grants, which are revenue in nature are either recognised as income or deducted in reporting the related expense based on the terms of the grant, as applicable.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)

### 3.11 Revenue recognition

Revenue is measured based on the transaction price adjusted for discounts and rebates, which is specified in a contract with customer. Revenue are net of estimated returns and taxes collected from customer.

Revenue from sale of goods is recognised at point in time when control is transferred to the customer and it is probable that consideration will be collected. Control is usually transferred upon the shipment, delivery to or upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customer.

The transaction price is documented on the sales invoice and payment is generally due as per agreed credit terms with customer.

The consideration can be fixed or variable. Variable consideration is only recognised when it is highly probable that a significant reversal will not occur.

Revenue from services are recognised as the related services are performed, the contractual performance obligations are satisfied and there is no uncertainty related to the collection of the said revenue.

The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

#### Profit Sharing Revenues

The Company from time to time enters into arrangements for the sale of its products in certain markets. Under such arrangements, the Company sells its products to the business partners at a base purchase price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base purchase price. The profit share is typically dependent on the ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement. Revenue in an amount equal to the base purchase price is recognised in these transactions upon delivery of products to the business partners. An additional amount representing the profit share component is recognised as revenue only to the extent that it is highly probable that a significant reversal will not occur.

Profit share earned through a collaboration partner is recognised as the underlying sales are recorded by the collaboration partners

#### Export entitlements

Export entitlements are recognised as income when right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

#### Interest Income

Interest income is recognised using effective interest rate method.

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

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

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

#### Estimate of Expected Return

Sales return is variable consideration that is recognised and recorded based on historical experience, market conditions and provided for in the year of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with trade practices, historical trends, past experience and projected market conditions.

### 3.12 Income Taxes

Income tax expense comprises current and deferred tax expense. Income tax expenses are recognised in statement of profit or loss, except when they relate to items recognised in other comprehensive income or directly in equity.

#### Current Tax

Current tax is the tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of reporting period by the governing taxation laws, and any adjustment to tax payable in

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)

respect of previous periods. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. 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 taxes arising from deductible and taxable temporary differences between the tax base of assets and liabilities and their carrying amount in the consolidated financial statements are recognised using substantively enacted tax rates and laws expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax asset are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilised.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to do the same.

### 3.13 Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

### 3.14 Research and development

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

### 3.15 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the Chief Operating Decision Maker (CODM). All operating segments' operating results are reviewed regularly by the CODM to make decisions about resources to be allocated to the segments and assess their performance.

## 4. NEW AND REVISED IND AS IN ISSUE BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31<sup>st</sup> March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)

(INR in Lakhs)

**5 (A) PROPERTY, PLANT AND EQUIPMENT**

As at 31<sup>st</sup> March 2024

Particulars	Freehold Land	Building	Plant & Equipments	Laboratory Equipments	Office Equipments	Furniture & Fixtures	Computers	Vehicles	Total
Gross carrying amount as at 1 <sup>st</sup> April 2023	5,471.11	24,628.54	39,187.34	4,937.99	633.77	1,971.92	729.02	423.19	77,982.88
Additions during the year	-	1,128.24	1,428.42	289.48	7.84	63.17	34.18	1,44.05	3,095.38
Disposals during the year	-	-	17.56	28.02	-	-	-	13.58	59.16
<b>Gross carrying amount as at 31<sup>st</sup> March 2024</b>	<b>5,471.11</b>	<b>25,756.78</b>	<b>40,598.20</b>	<b>5,199.45</b>	<b>641.61</b>	<b>2,035.09</b>	<b>763.20</b>	<b>553.66</b>	<b>81,019.10</b>
Accumulated depreciation as at 1 <sup>st</sup> April 2023	-	2,865.93	11,702.95	2,169.80	369.28	788.06	583.89	250.71	18,730.62
Depreciation charge for the year	-	932.94	3,357.53	434.06	80.31	179.41	95.66	76.22	5,156.13
Eliminated on disposals	-	-	12.60	15.44	-	-	-	12.88	40.92
<b>Accumulated depreciation as at 31<sup>st</sup> March 2024</b>	<b>-</b>	<b>3,798.87</b>	<b>15,047.88</b>	<b>2,588.42</b>	<b>449.59</b>	<b>967.47</b>	<b>679.55</b>	<b>314.05</b>	<b>23,845.83</b>
<b>Carrying value as at 31<sup>st</sup> March 2024</b>	<b>5,471.11</b>	<b>21,957.91</b>	<b>25,550.32</b>	<b>2,611.03</b>	<b>192.02</b>	<b>1,067.62</b>	<b>83.65</b>	<b>239.61</b>	<b>57,173.27</b>
<b>Capital work-in-progress</b>									<b>21,148.24</b>

As at 31<sup>st</sup> March 2023

Particulars	Freehold Land	Building	Plant & Equipments	Laboratory Equipments	Office Equipments	Furniture & Fixtures	Computers	Vehicles	Total
Gross carrying amount as at 1 <sup>st</sup> April 2022	5,471.11	22,263.42	35,274.71	4,321.80	489.11	1,724.29	672.49	371.11	70,588.04
Additions during the year	-	2,365.12	3,930.72	616.19	144.66	247.63	56.53	54.74	7,415.59
Disposals during the year	-	-	18.09	-	-	-	-	2.66	20.75
<b>Gross carrying amount as at 31<sup>st</sup> March 2023</b>	<b>5,471.11</b>	<b>24,628.54</b>	<b>39,187.34</b>	<b>4,937.99</b>	<b>633.77</b>	<b>1,971.92</b>	<b>729.02</b>	<b>423.19</b>	<b>77,982.88</b>
Accumulated depreciation as at 1 <sup>st</sup> April 2022	-	2,003.36	8,470.15	1,747.78	300.59	620.11	463.71	179.29	13,784.99
Depreciation charge for the year	-	862.57	3,239.19	422.02	68.69	167.95	120.18	73.85	4,954.45
Eliminated on disposals	-	-	6.39	-	-	-	-	2.43	8.82
<b>Accumulated depreciation as at 31<sup>st</sup> March 2023</b>	<b>-</b>	<b>2,865.93</b>	<b>11,702.95</b>	<b>2,169.80</b>	<b>369.28</b>	<b>788.06</b>	<b>583.89</b>	<b>250.71</b>	<b>18,730.62</b>
<b>Carrying value as at 31<sup>st</sup> March 2023</b>	<b>5,471.11</b>	<b>21,762.61</b>	<b>27,484.39</b>	<b>2,768.19</b>	<b>264.49</b>	<b>1,183.86</b>	<b>145.13</b>	<b>172.48</b>	<b>59,252.26</b>
<b>Capital work-in-progress</b>									<b>17,269.71</b>

Notes:

- Buildings includes INR 100 (Previous year INR 100) being cost of shares of Bopal"444"Association.
- Depreciation for the year includes INR 162.96 Lakhs (Previous Year - INR 182.98 Lakhs) for depreciation on Research & Development assets. (Refer Note 41)



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

- (iii) Additions to Property, Plant & Equipment during the year include capital expenditure on Research & Development related activities amounting to INR 241.61 Lakhs (Previous Year INR 231.17 Lakhs). The details of the same are as under:

Particulars	Year Ended	Year Ended
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Factory Building	-	64.95
Plant & Equipments	22.56	13.98
Laboratory Equipment	216.54	106.84
Computer	-	9.31
Office Equipment	1.26	3.28
Furniture & Fixtures	1.25	32.81
<b>Total</b>	<b>241.61</b>	<b>231.17</b>

- (iv) Details of property, plant and equipments which are hypothecated/mortgaged as security for borrowings are disclosed under note 18 (i).
- (v) The amount of capital commitments is disclosed in Note 34.

**(B) Capital work in progress:**

Particulars	As at	As at
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Capital Work-In-Progress	21,148.24	17,269.71
<b>Total</b>	<b>21,148.24</b>	<b>17,269.71</b>

**(i) Capital work in progress ageing schedule:**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in Progress	3,878.53	13,549.87	3,325.38	394.46	21,148.24
<b>As at 31<sup>st</sup> March 2024</b>	<b>3,878.53</b>	<b>13,549.87</b>	<b>3,325.38</b>	<b>394.46</b>	<b>21,148.24</b>

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in Progress	13,549.87	3,325.38	394.46	-	17,269.71
<b>As at 31<sup>st</sup> March 2023</b>	<b>13,549.87</b>	<b>3,325.38</b>	<b>394.46</b>	<b>-</b>	<b>17,269.71</b>

As on date of balance sheet, there are no capital work in progress whose completion is overdue or has exceeded the cost compared to its original plan.

There is no project which is temporarily suspended.

**6 INTANGIBLE ASSETS**
**As at 31<sup>st</sup> March 2024**

Particulars	Software	Technical Know-How	Total
Gross carrying amount as at 1 <sup>st</sup> April 2023	117.59	1,042.20	1,159.79
Additions during the year	-	46.08	46.08
Disposals during the year	-	-	-
<b>Gross carrying amount as at 31<sup>st</sup> March 2024</b>	<b>117.59</b>	<b>1,088.28</b>	<b>1,205.87</b>
Accumulated Amortisation as at 1 <sup>st</sup> April 2023	111.44	1,028.58	1,140.02
Amortisation for the year	4.89	28.99	33.88
Deductions during the year	-	-	-
<b>Accumulated depreciation as at 31<sup>st</sup> March 2024</b>	<b>116.33</b>	<b>1,057.57</b>	<b>1,173.90</b>
<b>Carrying value as at 31<sup>st</sup> March 2024</b>	<b>1.26</b>	<b>30.71</b>	<b>31.97</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)

(INR in Lakhs)

**As at 31<sup>st</sup> March 2023**

Particulars	Software	Technical Know-How	Total
Gross carrying amount as at 1 <sup>st</sup> April 2022	117.59	1,042.20	1,159.79
Additions during the year	-	-	-
Disposals during the year	-	-	-
<b>Gross carrying amount as at 31<sup>st</sup> March 2023</b>	<b>117.59</b>	<b>1,042.20</b>	<b>1,159.79</b>
Accumulated Amortisation as at 1 <sup>st</sup> April 2022	97.55	704.53	802.08
Amortisation for the year	13.89	324.05	337.94
Deductions during the year	-	-	-
<b>Accumulated depreciation as at 31<sup>st</sup> March 2023</b>	<b>111.44</b>	<b>1,028.58</b>	<b>1,140.02</b>
<b>Carrying value as at 31<sup>st</sup> March 2023</b>	<b>6.15</b>	<b>13.62</b>	<b>19.77</b>

**7 RIGHT-OF USE ASSETS**

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Right-of use Assets (RoU)	326.34	25.99
<b>Total</b>	<b>326.34</b>	<b>25.99</b>

**Lease Liabilities**

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Lease Liabilities-Current	162.08	14.69
Lease Liabilities- Non Current	188.70	16.38
<b>Total</b>	<b>350.78</b>	<b>31.07</b>

**A. The Company has taken Office building and warehouse on lease. Disclosures as per Ind AS 116 - Leases are as follows:**

The changes in the carrying value of ROU assets for the year ended on 31<sup>st</sup> March 2024 are as follows :

Particulars	Office Building	Warehouse	Total
Opening Balance	-	25.99	25.99
Additions during the year	469.49	-	469.49
Amortisation	(156.49)	(12.65)	(169.14)
<b>Balance at the end of the year</b>	<b>313.00</b>	<b>13.34</b>	<b>326.34</b>

The changes in the carrying value of ROU assets for the year ended on 31<sup>st</sup> March 2023 are as follows :

Particulars	Office Building	Warehouse	Total
Opening Balance	97.57	39.27	136.84
Additions during the year	-	-	-
Amortisation	(97.57)	(13.28)	(110.85)
<b>Balance at the end of the year</b>	<b>-</b>	<b>25.99</b>	<b>25.99</b>

The aggregate amortisation expense on ROU assets is included under amortisation expense in the Statement of Profit and Loss.

During the current year the Company has renewed lease agreement for its Head Office on 6<sup>th</sup> July 2023 for next three years. The monthly rent is INR 14.32 Lakhs (P.Y. INR 13.38 Lakhs) with escalation of 7% after completion of each Financial Year.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

**B. The movement in lease liabilities for the year ended on 31<sup>st</sup> March 2024 are as follows :**

Particulars	Office Building	Warehouse	Total
Opening Balance	-	31.07	31.07
Additions during the year	469.49	-	469.49
Finance cost accrued during the year	41.55	2.53	44.08
Payment of lease liabilities	(176.04)	(17.82)	(193.86)
<b>Balance at the end of the year</b>	<b>335.00</b>	<b>15.78</b>	<b>350.78</b>

The break-up of current and non-current lease liabilities as on 31<sup>st</sup> March 2024 is as under :

Particulars	Office Building	Warehouse	Total
Current	154.24	7.84	162.08
Non Current	180.76	7.94	188.70
<b>Total</b>	<b>335.00</b>	<b>15.78</b>	<b>350.78</b>

The movement in lease liabilities for the year ended on 31<sup>st</sup> March 2023 are as follows :

Particulars	Office Building	Warehouse	Total
Opening Balance	146.14	44.54	190.68
Additions during the year	-	-	-
Finance cost accrued during the year	14.47	3.72	18.19
Payment of lease liabilities	(160.61)	(17.19)	(177.80)
<b>Balance at the end of the year</b>	<b>-</b>	<b>31.07</b>	<b>31.07</b>

The break-up of current and non-current lease liabilities as on 31<sup>st</sup> March 2023 is as under :

Particulars	Office Building	Warehouse	Total
Current	-	14.69	14.69
Non Current	-	16.38	16.38
<b>Total</b>	<b>-</b>	<b>31.07</b>	<b>31.07</b>

**C. The details of contractual maturities of lease liabilities as on 31<sup>st</sup> March 2024 on undiscounted basis are as follows:**

Particulars	Office Building	Warehouse	Total
Less than one year	183.88	9.08	192.96
One to five years	196.76	9.26	206.02
<b>Total</b>	<b>380.64</b>	<b>18.34</b>	<b>398.98</b>

The details of contractual maturities of lease liabilities as on 31<sup>st</sup> March 2023 on undiscounted basis are as follows:

Particulars	Office Building	Warehouse	Total
Less than one year	-	17.22	17.22
One to five years	-	18.34	18.34
<b>Total</b>	<b>-</b>	<b>35.56</b>	<b>35.56</b>

**D. The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.**
**E. The amount recognised in the statement of profit or loss for the year ended 31<sup>st</sup> March 2024 are as follows:**

Particulars	Office Building	Warehouse	Total
Amortisation expense of RoU (Refer Note 30)	156.49	12.65	169.14
Interest expense on lease liabilities (Refer Note 29)	41.55	2.53	44.08
Rent expense*	2.00	-	2.00
<b>Total</b>	<b>200.04</b>	<b>15.18</b>	<b>215.22</b>

\*Rent expenses for short-term leases and leases of low value assets (Refer Note 31)



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)

(INR in Lakhs)

The amount recognised in the statement of profit or loss for the year ended 31<sup>st</sup> March 2023 are as follows:

Particulars	Office Building	Warehouse	Total
Amortisation expense of RoU (Refer Note 30)	97.57	13.28	110.85
Interest expense on lease liabilities (Refer Note 29)	14.47	3.72	18.19
Rent expense*	0.71	-	0.71
<b>Total</b>	<b>112.75</b>	<b>17.00</b>	<b>129.75</b>

\*Rent expenses for short-term leases and leases of low value assets (Refer Note 31)

### 8 INVESTMENTS

Particulars	No. of share / units as at 31 <sup>st</sup> March 2024	No. of share / units as at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>(a) Non Current</b>				
<b>(i) Investment in Joint Venture</b>				
Concord Biotech Japan K.K.	200	200	66.52	66.52
Add: Share of (Loss) from Joint Venture			139.34	(197.79)
Net Investment / (Deferred Income)			205.86	(131.27)
Less: Deferred Income transferred to other current liability (Refer note 23)			-	131.27
<b>Net Investment accounted using equity method</b>			<b>205.86</b>	<b>-</b>
Note: The net loss related to previous year is mainly on account of unrealised profit of inventory lying with Concord Biotech Japan K.K.				
<b>Reconciliation of closing balance of cumulative share of profit in Joint venture with Concord Biotech Japan K.K.:</b>				
Opening balance (a)			<b>(197.79)</b>	<b>(393.72)</b>
Share of Profit of current year (b)			81.29	166.55
Add/Less: Unrealised profit on closing stock and reversal of Unrealised profit on opening stock (net) (C)			255.84	29.38
Share of Profit/ (loss) of Joint venture as per equity method for the year end (d = b + c)			337.13	195.93
Closing balance (e = a + d)			<b>139.34</b>	<b>(197.79)</b>
<b>(ii) Investments in Mutual Funds measured at Fair value through profit &amp; loss</b>				
<b>Quoted Mutual Funds</b>				
Franklin India Short Term Income Plan - Retail Plan Segregated Portfolio 2	-	13,340	-	12.46
Franklin India Short Term Income Plan - Retail Plan Segregated Portfolio 3	21,282	21,282	-	-
<b>Total Investments at FVTPL- Non Current</b>			<b>-</b>	<b>12.46</b>
<b>Total Non-current Investments</b>			<b>205.86</b>	<b>12.46</b>
Aggregate carrying value of quoted investments			-	12.46
Aggregate market value of quoted investments			-	12.46

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

Particulars	No. of share / units as at 31 <sup>st</sup> March 2024	No. of share / units as at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>(b) Current</b>				
<b>(i) Investments in Mutual Funds measured at Fair value through profit &amp; loss</b>			-	
Edelweiss Arbitrage Fund - Direct Plan - Growth	48,67,121	-	920.59	-
Aditya Birla Sun Life Banking & PSU Debt Fund - Direct Plan - Growth	1,56,941	1,56,941	538.13	500.00
HDFC Banking & PSU Debt Fund - Direct Growth Option	24,97,216	24,97,216	538.95	500.00
Kotak Banking and PSU Debt Fund - Direct Growth	8,79,152	8,79,152	539.43	500.00
SBI Banking & PSU Fund - Direct Growth	18,018	18,018	537.85	500.00
Nippon India Overnight Fund - Growth Plan	5,00,899	-	640.77	-
Axis Strategic Bond Fund - Regular Growth	11,61,353	11,61,353	292.33	270.88
Franklin India Short Term Income Plan - Retail Plan - Growth	36	1,292	1.84	63.89
ICICI Prudential Saving Fund - Direct Plan - Growth	2,96,506	2,96,506	1,474.15	1,365.65
Kotak Low Duration Fund Standard Growth - Regular Plan	18,324	18,324	559.30	523.32
Nippon India Corporate Bond Fund - Growth Plan - Growth Option	5,36,413	5,36,413	289.61	268.53
Nippon India Floating Rate Fund - Direct Growth Plan	17,71,457	17,71,457	756.74	700.00
Aditya Birla Sun Life Liquid Fund - Regular Plan - Growth	-	1,30,887	-	470.93
Axis Liquid Fund - Regular Growth	-	13,312	-	330.69
ICICI Prudential liquid Fund - Growth	-	2,93,760	-	971.33
Nippon India Money Market Fund - Growth Plan - Growth Option	-	4,036	-	141.78
SBI Liquid Fund - Regular Growth	-	38,677	-	1,352.18
HDFC Low Duration Fund - Direct Plan - Growth Option	15,90,086	15,90,086	901.32	835.12
HDFC Ultra Short Term Fund - Direct Growth	42,31,052	42,31,052	596.10	554.52
Trust MF Banking & PSU Debt Fund - Direct Plan - Growth	50,000	50,000	584.48	544.19
SBI Overnight Fund - Regular Growth	7,071	-	272.15	-
Aditya Birla Sun Life Short Term Fund - Direct Plan - Growth	7,01,471	7,01,471	324.09	300.00
Axis Short Term Fund - Direct Growth	21,41,030	21,41,030	647.18	600.00
ICICI Prudential Short Term Fund - Direct Plan - Growth	11,03,584	11,03,584	650.37	600.00
Kotak Bond Fund (Short Term) - Direct Plan - Growth	12,57,245	12,57,245	647.77	600.00
Nippon India Short Term Fund - Direct Growth Plan - Growth Option	12,60,923	12,60,923	648.16	600.00
SBI Short Term Debt Fund - Direct Plan - Growth	21,04,886	21,04,886	645.77	600.00
Aditya Birla Sun Life Arbitrage Fund - Direct Plan - Growth	23,36,300	-	608.16	-
HDFC Arbitrage Fund - Direct Plan - Wholesale Plan - Growth	50,78,119	-	932.65	-





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)

(INR in Lakhs)

Particulars	No. of share / units as at 31 <sup>st</sup> March 2024	No. of share / units as at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
ICICI Prudential Equity Arbitrage Fund - Direct Plan - Growth	42,84,289	-	1,434.56	-
Invesco India Arbitrage Fund - Direct Plan - Growth	35,63,612	-	1,117.94	-
Kotak Equity Arbitrage fund - Direct Plan - Growth	85,62,387	-	3,115.53	-
Nippon India Arbitrage Fund - Direct Growth Plan - Growth Option	54,51,493	-	1,424.81	-
SBI Arbitrage Opportunities fund - Direct Plan - Growth	64,80,485	-	2,121.31	-
Tata Arbitrage Fund - Direct Plan - Growth	44,28,525	-	608.15	-
<b>Total Investments at FVTPL- Current</b>			<b>24,370.19</b>	<b>13,693.01</b>
Aggregate carrying value of quoted investments			24,370.19	13,693.01
Aggregate market value of quoted investments			24,370.19	13,693.01

### 9 OTHER FINANCIAL ASSETS

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Unsecured, considered good unless otherwise stated		
Non Current		
Security deposits	215.82	132.81
Production Linked Incentive Receivable [Refer Note 14 (iii) below]	110.17	
Bank deposits with maturity more than 12 months [Refer note (i) below]	99.25	796.57
Interest accrued but not due on deposits	5.74	22.74
Other receivables		
Considered Good	65.97	67.39
Considered Doubtful	226.95	226.95
Less: Loss allowance on other receivables [Refer note (ii) below]	(226.95)	(226.95)
Net Other receivables	65.97	67.39
<b>Total</b>	<b>496.95</b>	<b>1,019.51</b>

#### Notes:

- (i) Out of total Bank deposits of INR 99.25 Lakhs, term deposits amounting to INR 98.16 Lakhs (as at 31<sup>st</sup> March 2023 INR 16.57 Lakhs) are lodged as margin money against Bank Guarantees and other Commitments.
- (ii) Loss allowance of INR 226.95 Lakhs is made for incentive receivable under Market Access Initiative Scheme (MAI scheme).
- (iii) The Company had a short receipt of INR 110.17 Lakhs for claim of FY 22-23. The management has written to the respective authority for clarification. The management has considered such an amount as recoverable, given that both the criteria for being eligible for the claim of FY 22-23 were complied with and presented under non current other financial assets.

### 10 OTHER NON CURRENT ASSETS

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Unsecured, considered good unless otherwise stated		
Capital advances	797.99	761.95
<b>Total</b>	<b>797.99</b>	<b>761.95</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

**11 INVENTORIES**

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
(At lower of Cost and Net Realisable Value)		
(a) Raw materials	6,330.47	8,042.87
(b) Work-in-progress	12,348.02	11,319.82
(c) Finished goods - Including Goods in transit (C.Y.162.47 Lakhs, P.Y. 115.88 Lakhs)	402.95	548.49
(d) Fuel	69.75	78.91
(e) Stores & Spares	387.36	309.68
(f) Stock in Trade	1,256.83	931.70
<b>Total</b>	<b>20,795.38</b>	<b>21,231.47</b>

- (i) Inventory write down are accounted, considering the nature of inventory, ageing and net realisable value INR 678.20 Lakhs (31<sup>st</sup> March 2023 INR 503.34 Lakhs). The changes in write downs are recognised as an expense in the statement of Profit and loss.

**12 TRADE RECEIVABLES**

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Considered good- Unsecured	34,960.89	27,375.76
Trade receivables Credit impaired	139.07	87.30
Less:- Loss Allowance	139.07	87.30
<b>Total</b>	<b>34,960.89</b>	<b>27,375.76</b>

- (i) The Company's exposure to credit and currency risk, and loss allowances are disclosed in Note 38.
- (ii) Includes receivables from related parties [refer note 39 (c)].
- (iii) Movements in the expected credit loss allowance:

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Opening balance	87.30	78.06
Add / (less) : Loss allowance measured at expected credit losses	51.77	9.24
<b>Closing balance</b>	<b>139.07</b>	<b>87.30</b>

- (v) Trade receivables Ageing Schedule:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	25,727.18	7,084.88	1,649.35	459.59	11.43	28.46	34,960.89
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	57.19	13.36	68.52	139.07
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)

(INR in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Less: Loss Allowance	-	-	-	-	-	-	(139.07)
<b>As at 31<sup>st</sup> March 2024</b>	<b>25,727.18</b>	<b>7,084.88</b>	<b>1,649.35</b>	<b>516.78</b>	<b>24.79</b>	<b>96.98</b>	<b>34,960.89</b>

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	18,434.53	7,203.27	1,331.87	377.59	28.50	-	27,375.76
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	18.15	6.91	62.24	87.30
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Less: Loss Allowance	-	-	-	-	-	-	(87.30)
<b>As at 31<sup>st</sup> March 2024</b>	<b>18,434.53</b>	<b>7,203.27</b>	<b>1,331.87</b>	<b>395.74</b>	<b>35.41</b>	<b>62.24</b>	<b>27,375.76</b>

The average credit period on sales of goods is 60-90 days. No interest is charged on outstanding trade receivables.

### 13 CASH AND BANK BALANCES

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>(a) Cash and cash equivalents</b>		
Cash on hand	2.73	1.63
Balance with Banks		
- In Current accounts	1,511.48	348.29
<b>Total</b>	<b>1,514.21</b>	<b>349.92</b>
<b>(b) Bank Balances other than cash and cash equivalents</b>		
Bank Deposits with Maturity more than 3 months but less than 12 months [Refer note below]	2,620.70	3,994.77
Share Escrow Account (Refer note 44)	567.53	-
<b>Total</b>	<b>3,188.23</b>	<b>3,994.77</b>

- (i) Out of total Bank deposits of INR 2,620.70 Lakhs, Term deposits amounting to INR 338.55 Lakhs (P.Y. INR 936.77 Lakhs) are lodged as margin money against Bank Guarantees and other Commitments.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

**14 OTHER FINANCIALS ASSETS**

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Unsecured, considered good unless otherwise stated</b>		
<b>Current</b>		
Subsidy receivable [Refer Note (i) below]	99.14	124.37
Interest Accrued but not due on deposits	122.71	78.88
Derivative financial instruments	12.12	25.00
Insurance claims	48.18	73.89
Security Deposit	307.42	31.65
Production Linked Incentive Receivable [Refer Note (ii) below]	1,000.00	1,591.17
IPO expense reimbursement receivable [Refer Note 44]	-	1,268.16
Other Receivables [Refer Note (iii) below]	355.31	466.78
<b>Total</b>	<b>1,944.88</b>	<b>3,659.90</b>

- (i) Company is eligible to get various incentive namely – Capital subsidy, interest subsidy, incentive on power tariff, employment generation incentive subsidy etc. from GSBTM (Gujarat State Biotechnology Mission) under Biotechnology Policy of Gujarat for establishing new API Plant at Limbasi. Company has received claims of subsidies on timely manner from GSBTM. The Company has received Capital subsidy pertaining for the claim of previous years from the GSBTM in FY 2022-23. As at 31<sup>st</sup> March 2024, the Company has outstanding receivable on account of various subsidies as follows - Interest Subsidy INR 14.96 Lakhs for interest paid on term loan, Power Tariff Subsidy INR 68.59 Lakhs, Employment Generation Incentive INR 15.59 Lakhs (as at 31<sup>st</sup> March 2023 Interest Subsidy INR 46.12 Lakhs for interest paid on term loan, Power Tariff Subsidy INR 65.62 Lakhs, Employment Generation Incentive INR 12.63 Lakhs).
- (ii) The Company is eligible for claiming benefits under the Production Linked Incentive (PLI) Scheme of the Government of India. Based on the Claims Submitted by PLI department, the Company has recognised the PLI Income.
- (iii) Other receivable includes INR 336.72 Lakhs (P.Y INR 461.72 Lakhs) of amount recoverable from customer towards bank guarantees invoked.

**15 OTHER CURRENT ASSETS**

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Unsecured, considered good unless otherwise stated</b>		
Advance to Supplier	765.72	130.97
Balances with government authorities	1,032.98	1,398.35
Prepaid expenses	733.12	551.85
Returnable assets	-	71.16
Export Incentives Receivables [Refer Note (i) below]	311.23	306.13
Advances to Employees	6.28	6.72
<b>Total</b>	<b>2,849.33</b>	<b>2,465.18</b>

- (i) Export Incentives Receivables includes INR 114.05 Lakhs (P.Y INR 126.39 Lakhs) for Duty Drawback, INR 89.93 Lakhs (P.Y INR 123.78 Lakhs) for RoDTEP, INR 51.29 Lakhs (P.Y INR Nil) for RoDTEP Scripts on Hand, INR 53.15 Lakhs (P.Y INR 53.15 Lakhs) for Merchandise Exports From India Scheme (MEIS) and INR 2.81 Lakhs (P.Y INR 2.81 Lakhs) for Rebate on Excise Duty.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)

(INR in Lakhs)

### 16 EQUITY SHARE CAPITAL

Particulars	As at	
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>Authorised</b>		
11,00,00,000 (Previous Year - 11,00,00,000) equity shares of INR 1/- each and 31 <sup>st</sup> March 2023 INR 1/-) [Refer note below]	1,100.00	1,100.00
	<b>1,100.00</b>	<b>1,100.00</b>
<b>Issued, Subscribed and fully paid-up</b>		
10,46,16,204 (Previous Period - 10,46,16,204) equity shares of INR 1/- (Previous Period INR 1/- ) each fully paid up [Refer Note (v) below]	1,046.16	1,046.16
	<b>1,046.16</b>	<b>1,046.16</b>

The Authorised Share Capital of the Company was increased from INR 10,00,00,000 (consisting of 1,00,00,000 equity shares of face value of INR 10 each) to INR 11,00,00,000 (consisting of 11,00,00,000 equity shares of face value of INR 1 each) through an ordinary resolution passed by the Shareholders of the Company in Extra Ordinary General Meeting of Company held on 8<sup>th</sup> July 2022.

#### (i) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:

Particulars	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	Number of Shares	INR in Lakhs	Number of Shares	INR in Lakhs
As at the beginning of the year	10,46,16,204	1,046.16	95,10,564	951.06
Add: Issued on account of Split off of shares during the period [Refer Note (v) below]	-	-	8,55,95,076	-
Add: Issued on account of Bonus shares during the period [Refer Note (v) below]	-	-	95,10,564	95.10
<b>Outstanding at the end of the year</b>	<b>10,46,16,204</b>	<b>1,046.16</b>	<b>10,46,16,204</b>	<b>1,046.16</b>

#### (ii) Terms/rights attached to equity shares with voting rights:

The Company has only one class of equity shares having a par value of INR 1 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

#### (iii) Details of shareholders holding more than 5% shares in the Company:

Particulars	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	No. of shares	% Holding	No. of shares	% Holding
<b>Equity Shares of INR 1 each fully paid</b>				
Mr. Sudhir Jairam Vaid	3,01,69,524	28.84%	3,01,69,524	28.84%
Helix Investment Holdings Pte Limited, Singapore (Refer Note 44)	-	-	2,09,25,652	20.00%
Mrs. Manju Sudhir Vaid	99,87,384	9.55%	99,87,384	9.55%
Nishtha Jhunjunwala Disc Trust	83,99,732	8.03%	83,99,732	8.03%
Aryavir Jhunjunwala Disc Trust	83,99,754	8.03%	83,99,754	8.03%
Aryaman Jhunjunwala Disc Trust	83,99,754	8.03%	83,99,754	8.03%
M/s. Ontario Inc.	56,40,536	5.39%	56,40,536	5.39%



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

**(iv) Shares held by Promoters & Promoters group at the end of the Year:**

Particulars	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023		% of change during the year
	No. of shares	% Holding	No. of shares	% Holding	
<b>Promoters</b>					
Mr. Sudhir Vaid	3,01,69,524	28.84%	3,01,69,524	28.84%	-
Mr. Ankur Vaid	5,86,520	0.56%	5,86,520	0.56%	-
<b>Promoters Group</b>					
Mrs. Manju Sudhir Vaid	99,87,384	9.55%	99,87,384	9.55%	-
Mrs. Megha Vaid	5,47,008	0.52%	5,47,008	0.52%	-
Mrs. Sonal Kumra	73,920	0.07%	73,920	0.07%	-
Sudman Consultants LLP	47,52,000	4.54%	47,52,000	4.54%	-

- (v) Pursuant to the approval of the shareholders at the Extra Ordinary General Meeting of the Company held on 8<sup>th</sup> July 2022, each equity share of face value of INR 10/- per share was sub-divided into 10 equity shares of face value of INR 1/- per share and approved the issuance of 1 bonus shares of face value INR 1 each for every 10 existing fully paid-up equity share of face value INR 1 each and accordingly 95,10,564 bonus shares were issued and allotted on 20<sup>th</sup> July 2022 out of securities premium.

**17 OTHER EQUITY**

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Reserve and Surplus</b>		
Retained Earnings	1,40,499.50	1,16,835.20
General Reserve	2,921.79	2,921.79
Securities premium [Refer note 16(v)]	8,197.10	8,197.10
<b>Total</b>	<b>1,51,618.39</b>	<b>1,27,954.09</b>

**Nature and purpose of reserves:**
**(i) General reserve:**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. Items included under General Reserve shall not be reclassified back into the Statement of Profit & Loss.

**(ii) Retained Earnings:**

Retained Earnings are the profits that the Company has earned till date less any transfer to general reserve, dividends and other distributions to shareholder.

**(iii) Securities Premium:**

This reserve represents Security Premium received at the time of issuance of Equity Shares.

**18 BORROWINGS**

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Non-current</b>		
<b>Secured - at amortised cost</b>		
Term Loan [Refer Note (i) below]	622.98	3,123.56
Less: Current maturities of term Loan	(622.98)	(2,500.00)
<b>Total</b>	<b>-</b>	<b>623.56</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Current borrowing</b>		
<b>Secured - at amortised cost</b>		
Cash Credit Facility [Refer Note (ii) below]	-	-
Current maturities of long term liabilities	622.98	2,500.00
<b>Total</b>	<b>622.98</b>	<b>2,500.00</b>

- (i) The Company has availed Term Loan from State Bank of India. Term Loan of INR 10,000 Lakhs (outstanding amounting as at 31<sup>st</sup> March 2024 INR 622.98 Lakhs, 31<sup>st</sup> March 2023 INR 3,123.56 Lakhs) is secured by first charge on Factory Land & Building and Plant & Machinery of Unit-III at Limbasi, Dist. Kheda, (Survey No. 666,667,668 and 84 at Village Malavada and Survey No. 94A,94B,119,120,126,135 and 136 at Ranasar ) and charge on the same has been created. Interest rate is 3 months MCLR + 0.20% p.a and loan is repayable in 16 quarterly instalments of INR 625 Lakhs each starting from October, 2020.
- (ii) The Company has Fund-based and Non-fund-based limits of Working Capital from Banks. For the said facility, the revised submissions made by the Company to its bankers based on closure of books of accounts at the respective year end, the revised quarterly returns or statements comprising stock statements, book debt statements, statements on ageing analysis of the debtors, and other stipulated financial information filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

### 19 PROVISIONS

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Non-current</b>		
<b>Employee Benefits</b>		
Provisions for compensated absences	195.61	229.66
<b>Total</b>	<b>195.61</b>	<b>229.66</b>
<b>Current</b>		
<b>Employee Benefits</b>		
Provision for Compensated Absences	184.68	147.85
Provision for Gratuity (Refer Note 36)	42.70	57.67
<b>Others</b>		
Provision for Sales Return [Refer Note (i) below]	162.81	2,542.05
<b>Total</b>	<b>390.19</b>	<b>2,747.57</b>

#### Note:

##### (i) Provision for Sales Returns:

One of the distributor based out at America terminated exclusive distribution and supply agreement in the previous year ended 31<sup>st</sup> March 2023 and as per the Agreement, the Company was required to purchase the remaining unsold inventory based on mutual understanding between the parties. Accordingly, a provision of INR 2,163.70 Lakhs was made for inventory lying with the said distributor in the previous year ended 31<sup>st</sup> March 2023 which were primarily in nature of expired or near expiry products. During the current year ended 31<sup>st</sup> March 2024, the Company has received products from the said distributor. Consequently, the sales return provision of INR 2,163.70 Lakhs was utilised in the current year ended 31<sup>st</sup> March 2024.

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Opening Balance</b>	2,542.05	-
Add: Provision made during the period	2,853.11	3,843.54
Less: Provision utilised during the period	(5,232.35)	(1,301.49)
<b>Closing Balance</b>	<b>162.81</b>	<b>2,542.05</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

**20 INCOME TAXES**

The major component of income tax expense for the years ended 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2023 are as follows:

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>Statement of Profit and Loss</b>		
Current tax	9,983.39	7,953.00
Short / (excess) provision related to earlier years	-	1.61
Deferred tax	462.79	238.16
<b>Income tax expense in the Statement of Profit and Loss</b>	<b>10,446.18</b>	<b>8,192.77</b>
<b>Statement to Other comprehensive income (OCI)</b>		
Income tax relating to re-measurement gain/ (loss) on defined benefit plans	(0.24)	8.66
<b>Income tax charge/(credit) recognised in OCI</b>	<b>(0.24)</b>	<b>8.66</b>

**(a) Reconciliation of tax expense and the accounting profit multiplied by tax rate for the year ended 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2023.**

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>Accounting profit before tax</b>	<b>41,256.50</b>	<b>32,201.34</b>
<b>Tax Rate</b>	25.168%	25.168%
Income tax expense calculated at corporate tax rate	10,383.44	8,104.43
<b>Adjustment</b>		
Tax impact in income charged under capital gain	(8.94)	(22.35)
(Excess) / Short tax provision related to earlier year	-	1.61
Expenditure not deductible under tax	148.75	142.15
Changes in temporary differences of earlier years	3.32	12.30
Others	4.46	3.94
<b>Total</b>	<b>10,531.03</b>	<b>8,242.08</b>
<b>Effective tax rate</b>	<b>25.53%</b>	<b>25.60%</b>

**(b) Deferred tax:**

The major components of Deferred tax liabilities /(assets) arising on account of timing differences are as follows:

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Deferred tax liabilities</b>		
Property, plant and equipment and intangible assets	2,609.32	2,387.06
Fair Valuation of Investments measured at FVTPL	442.29	175.17
<b>Total</b>	<b>3,051.61</b>	<b>2,562.23</b>
<b>Deferred tax assets</b>		
Employee benefit obligations	120.69	116.45
Loss Allowance for trade receivables & other financial assets	95.97	79.09
Provision for expenses allowed for tax purpose on payment basis	22.35	21.51
Leases of Right of use assets and lease liabilities	6.15	1.28
<b>Total</b>	<b>245.16</b>	<b>218.33</b>
Deferred Tax liabilities (Net)	2,806.45	2,343.90
<b>Total</b>	<b>2,806.45</b>	<b>2,343.90</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)

(INR in Lakhs)

Movement of deferred tax liabilities / (assets) during the year:

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>Deferred tax liabilities / (assets) in relation to:</b>		
Property, plant and equipment and intangible assets	222.26	252.30
Fair Valuation of Investments measured at FVTPL	267.12	18.20
Leases of Right of use assets and lease liabilities	(4.87)	12.27
Employee benefit obligations	(4.24)	(28.42)
Loss Allowance for trade receivables & other financial assets	(16.88)	(2.33)
Provision for expenses allowed for tax purpose on payment basis	(0.84)	(5.20)
<b>Total</b>	<b>462.55</b>	<b>246.82</b>

- (i) There are certain income-tax related legal proceedings which are pending against the Company. Potential liabilities, if any have been adequately provided for, and the Company does not currently estimate any probable material incremental tax liabilities in respect of these matters. Refer note 34 (b).
- (ii) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
- (iii) The Tax rate used for FY 2023-24 and FY 2022-23, in reconciliation above is the corporate tax rate of 25.168% payable by corporate entity in India on taxable profits under the Indian Tax Law.

### (c) Non-Current tax asset / (Current tax Liabilities)

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Provision for Income Tax	(29,344.46)	(19,355.25)
Advance payment of Tax	29,062.20	18,721.90
<b>Total</b>	<b>(282.26)</b>	<b>(633.35)</b>

### (d) Income Tax Balances (Net)

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Income tax assets (Net)	267.12	266.52
Current tax liabilities (net)	549.38	899.87
<b>Total</b>	<b>(282.26)</b>	<b>(633.35)</b>

## 21 TRADE PAYABLES

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Total outstanding dues of micro enterprises and small enterprises	961.54	1,702.27
Total outstanding dues of creditors other than micro enterprises and small enterprises	8,481.99	7,677.73
<b>Total</b>	<b>9,443.53</b>	<b>9,380.00</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

**(a) Trade Payables Ageing Schedule:**

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1 to 2 years	2 to 3 years	More than 3 years	
(i) MSME	926.96	34.58	-	-	-	961.54
(ii) Others	7,218.80	1,159.85	13.83	13.16	76.35	8,481.99
(iii) Disputed Dues MSME	-	-	-	-	-	-
(iv) Disputed Dues -Other	-	-	-	-	-	-
<b>As at 31<sup>st</sup> March 2024</b>	<b>8,145.76</b>	<b>1,194.43</b>	<b>13.83</b>	<b>13.16</b>	<b>76.35</b>	<b>9,443.53</b>

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1 to 2 years	2 to 3 years	More than 3 years	
(i) MSME	1,488.55	213.17	0.33	-	0.22	1,702.27
(ii) Others	5,550.31	1,889.40	141.83	37.83	58.36	7,677.73
(iii) Disputed Dues MSME	-	-	-	-	-	-
(iv) Disputed Dues -Other	-	-	-	-	-	-
<b>As at 31<sup>st</sup> March 2023</b>	<b>7,038.86</b>	<b>2,102.57</b>	<b>142.16</b>	<b>37.83</b>	<b>58.58</b>	<b>9,380.00</b>

**(b) Disclosure under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006**

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)		
-Principal amount due to micro and small enterprise	848.82	1,594.47
-Interest due on above	3.08	43.04
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	109.64	64.76
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	112.72	107.80
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	112.72	107.80

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**22 OTHER FINANCIAL LIABILITIES**

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Interest accrued but not due on borrowings	10.39	25.97
Payables for employee benefits	1,183.71	1,009.21
Security Deposits	10.00	10.00
Payable to selling shareholders and others (Refer note 44)	714.19	-
Payable on purchase of Property, Plant and Equipment	502.34	2,089.17
<b>Total</b>	<b>2,420.63</b>	<b>3,134.35</b>





NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)

(INR in Lakhs)

**23 OTHER CURRENT LIABILITIES**

Particulars	As at	As at
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Payable to Statutory and other authorities	260.59	221.17
Advance from customers	366.16	155.51
Deferred Income [Refer note 8 (a) (i)]	-	131.27
<b>Total</b>	<b>626.75</b>	<b>507.95</b>

**24 REVENUE FROM OPERATIONS**

Particulars	Year Ended	Year Ended
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>Revenue From contracts with customers</b>		
Sale of Goods	99,532.52	82,835.04
Sale of Services	273.21	228.18
	<b>99,805.73</b>	<b>83,063.22</b>
<b>Other Operating Revenue</b>		
Export benefits	888.19	662.43
Production Linked Incentive Income [Refer note 14 (ii)]	1,000.00	1,591.17
	<b>1,888.19</b>	<b>2,253.60</b>
<b>Total</b>	<b>1,01,693.92</b>	<b>85,316.82</b>

(a) Disaggregate revenues from contracts with customers:

Particulars	Year Ended	Year Ended
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Domestic	53,420.94	43,213.41
Exports	48,272.98	42,103.41
<b>Total</b>	<b>1,01,693.92</b>	<b>85,316.82</b>

(b) Disaggregate revenues from contracts with customers based on products:

Particulars	Year Ended	Year Ended
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Active Pharmaceutical Ingredient (API)	82,802.78	76,131.40
Formulations	18,891.14	9,185.42
<b>Total</b>	<b>1,01,693.92</b>	<b>85,316.82</b>

(c) Reconciliation of Revenue from operations with contract price:

Particulars	Year Ended	Year Ended
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>Contract Price</b>	1,04,568.26	89,172.52
<b>Less : Adjustment made to contract price on account of:</b>		
Provision for Sales Return	(2,853.11)	(3,843.54)
Others - rate difference	(21.23)	(12.16)
<b>Total</b>	<b>1,01,693.92</b>	<b>85,316.82</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

**25 OTHER INCOME**

Particulars	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
<b>Interest income</b>		
From Bank	304.11	444.08
<b>Other Gain and Losses</b>		
Net gain on sale of investments	345.14	299.36
Net gain on Investments in Mutual Funds measured at FVTPL	1,061.33	72.33
Net foreign exchange gain	648.05	1,022.15
<b>Other Non Operating Income</b>		
Subsidy income	764.69	832.38
Insurance claim Received	14.14	65.10
Net profit on sale of Property, plant & equipment	1.19	-
Testing Fees Income	111.43	41.15
Receivables from Bank Guarantee [Refer Note 14(iii)]	-	461.72
Excess provision no longer required written back	3.81	175.09
Miscellaneous income	124.11	117.57
<b>Total</b>	<b>3,378.00</b>	<b>3,530.93</b>

**26 COST OF MATERIALS CONSUMED**

Particulars	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Raw materials including packing materials at the beginning of the year	8,042.87	8,080.81
Add: Purchases	16,741.31	16,669.21
	<b>24,784.18</b>	<b>24,750.02</b>
Less: Raw materials including packing materials at the end of the year	6,330.47	8,042.87
<b>Total</b>	<b>18,453.71</b>	<b>16,707.15</b>

**27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE:**

Particulars	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Opening stock		
Finished goods	548.49	1,027.07
Stock-in-trade	931.70	1,191.70
Work-in-progress	11,319.82	9,018.04
	<b>12,800.01</b>	<b>11,236.81</b>
Less : Closing stock		
Finished goods	402.95	548.49
Stock-in-trade	1,256.83	931.70
Work-in-progress	12,348.02	11,319.82
	<b>14,007.80</b>	<b>12,800.01</b>
<b>Total changes in inventories of finished goods, work-in-progress and stock-in-trade</b>	<b>(1,207.79)</b>	<b>(1,563.20)</b>

**28 EMPLOYEE BENEFITS EXPENSE:**

Particulars	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Salaries, wages and bonus	11,479.16	10,314.23
Contribution to provident and other funds	632.39	523.82
Staff welfare expenses	193.12	189.80
<b>Total</b>	<b>12,304.67</b>	<b>11,027.85</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)

(INR in Lakhs)

### 29 FINANCE COSTS

Particulars	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
(a) Interest expense on borrowings		
- Term Loan	183.90	348.75
- Cash Credit/Over Draft	21.41	17.23
(b) Interest on lease liabilities (Refer Note 7)	44.08	18.19
<b>Total interest expense for financial liabilities carried at amortised cost</b>	<b>249.39</b>	<b>384.17</b>
Interest on Income tax	5.80	66.86
<b>Total</b>	<b>255.19</b>	<b>451.03</b>

### 30 DEPRECIATION AND AMORTISATION

Particulars	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Depreciation of property, plant and equipment (Refer Note 5)	5156.13	4,954.45
Amortisation of intangible assets (Refer Note 6)	33.88	337.94
Depreciation of right of use assets (Refer Note 7)	169.14	110.85
<b>Total</b>	<b>5,359.15</b>	<b>5,403.24</b>

### 31 OTHER EXPENSES

Particulars	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Power & Fuel Consumed	10,496.87	9,765.37
Consumption of stores and spare parts	1,241.19	1,305.77
Laboratory Charges & Testing Expenses	1,881.88	2,158.59
Repairs & Maintenance	1,558.56	1,187.48
Rent, Rates & Taxes	855.81	589.80
Royalty Expenses	-	380.08
Insurance Expense	312.94	295.51
Bank Charges	63.21	67.42
Travelling and conveyance	994.04	897.04
Communication, IT and Stationery Expenses	223.28	243.33
Payment to Auditors (Refer Note 33)	46.19	25.46
Legal & Professional Fees	530.46	485.89
Directors Sitting Fee	30.50	16.70
Selling, Distribution and Advertisement Expenses	3,310.96	2,369.85
Loss due to Fire	-	3.05
Net loss on sale of Property, plant & equipment	-	9.40
Provision for doubtful debts	51.77	9.24
Corporate Social Responsibilities Expense (Refer Note 35)	590.33	497.30
Bank Guarantee Expense [Refer Note 14(iii)]	-	461.72
Membership & Subscription	64.76	44.73
Security Service Charges	217.45	185.12
Effluent Treatment Plant Charges	616.30	554.25
Safety & Environment Charges	23.13	46.66
Miscellaneous Expense	204.10	339.64
<b>Total</b>	<b>23,313.73</b>	<b>21,939.40</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

**32 EARNINGS PER SHARE (EPS)**

Particulars	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
<b>Basic and Diluted EPS</b>		
(A) Net profit after tax before other comprehensive income as per Consolidated statement of profit and loss (INR in Lakhs) (A)	30,810.32	24,008.57
(B) Weighted average number of equity shares considered after split of shares into INR 1 each (Refer Note 16)	10,46,16,204	9,51,05,640
(C) Bonus shares issued subsequent to 31 <sup>st</sup> March 2022 (Refer Note 16)	-	95,10,564
(D) Weighted average number of equity shares considered for calculation of EPS (B + C)	10,46,16,204	10,46,16,204
(E) Basic and Diluted Earning Per Share (INR) (A/D)	29.45	22.95
(F) Nominal Value of equity share (INR)	1.00	1.00

The impact of split of shares and issue of bonus shares are retrospectively considered for the computation of EPS as per the requirement of Ind AS 33.

**33 PAYMENT TO AUDITORS**

Particulars	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
For Audit Fees	37.55	18.11
For Certification fees	7.71	5.50
For Reimbursement of expense	0.93	1.85
<b>Total</b>	<b>46.19</b>	<b>25.46</b>

Company has paid fees of INR 77.25 Lakhs (Previous Year INR 144.20 Lakhs) for issuing various reports and certificates in connection with the completed initial public offering (IPO) during the current year. This expenses have been recovered from the selling shareholders and are not included in the above information.

**34 COMMITMENTS AND CONTINGENCIES**
**(a) Commitments**

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for in respect of the Property, Plant & Equipment (Net of Advances)	1,244.29	1,228.39
<b>Total</b>	<b>1,244.29</b>	<b>1,228.39</b>

**(b) Contingent liabilities**

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Claims against the Company / disputed liabilities not acknowledged as debts:</b>		
<b>Disputed demand of Excise duty for which an appeal has been preferred</b>	376.37	376.37
- The Company has preferred Appeal to ITAT against order received from Assessing officer in respect of short payment of Excise duty, non reversal of input credit		
<b>Disputed demand of Income Tax in which company has preferred Appeal or filed rectification with Department :</b>	1,054.56	1,054.56
- The Company has preferred Appeal to CIT(A) against order received from Assessing officer in respect of disallowance of additional depreciation in A.Y. 2013-14. Appeal order was received but effect order is pending		



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
- The Company has preferred Appeal to CIT(A) against order received from Assessing officer in respect of Penalty imposed u/s 271(1)(C) in A.Y. 2015-16 & 2016-17. Appeal order was received but effect order is pending		
- The Company has preferred Appeal to CIT(A) against order received from Assessing officer in respect of disallowance of Purchase of Raw Material in A.Y. 2016-17		
- The Company has preferred Appeal to CIT(A) against order received from Assessing officer in respect of disallowance of u/s 35(2)(AB) and Rule 8D r.w.s 14A in A.Y. 2018-19. Appeal order was received but effect order is pending		
- The Company has filed rectification with Assessing officer against intimation received from CPC regarding payment of Dividend Distribution Tax for A.Y. 2020-21.		
The Company has also filed Appeal to CIT(A) against order received from Assessing officer in respect of disallowance u/s Rule 8D r.w.s 14A in A.Y. 2020-21 and regarding not granting credit of payment of Dividend Distribution Tax. Appeal order was received but effect order is pending.		
<b>Total</b>	<b>1,430.93</b>	<b>1,430.93</b>

- (i) It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending litigations of the respective proceedings.
- (ii) The Company does not expect any reimbursements in respect of the above contingent liabilities.
- (iii) The Company believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations. These demands are with respect to income tax and service tax matters for which appeals have been filed.

### 35 CORPORATE SOCIAL RESPONSIBILITIES

Amount spent towards CSR activities during the year are as follows:

Particulars	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
(i) Gross Amount required to be spent by the Company during the year	572.30	495.46
(ii) Amount spent during the year	590.33	497.30
(iii) Excess / (Shortfall) at the end of the year	18.03	1.84
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	Not Applicable	Not Applicable
(vi) Nature of CSR activities	Medical, Educational, Environmental sustainability, Promoting sports, Social, Rural Development	Medical, Educational, Environmental sustainability, Promoting sports, Social, Rural Development
(vii) details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	Not Applicable	Not Applicable
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Not Applicable	Not Applicable



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

**36 EMPLOYEE BENEFITS PLANS**
**(a) Defined contribution plans:**

The Company makes contributions towards provident fund, a defined contribution retirement benefit plan for qualifying employees. The provident fund is operated by the Regional Provident Fund Commissioner. The Company recognised INR 500.34 Lakhs (Previous Year INR 425.67 Lakhs) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the scheme.

**(b) Defined benefit plans:**

The Company makes annual contributions to the Employee's Group Gratuity cash accumulation scheme of the LIC, a funded defined benefit plan for qualifying employees. The Scheme provides for payment to vested employees at retirement/death while in employment or on termination of employment as per the provisions of the Gratuity Act, 1972. Vesting occurs on completion of 5 years of service. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method as per actuarial valuation carried out at the balance sheet date.

**Characteristics of Defined Benefit Plans and risk associated with them:**

Valuation of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework, which may vary over time. Thus, Company is exposed to various risks in providing the above benefit plans which are as follows:

**(i) Interest rate risk:**

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (i.e. value of defined benefit obligation).

**(ii) Salary escalation risk:**

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan particulars in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**(iii) Demographic risk:**

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumptions.

**The following table sets out the status of the gratuity plan as required under Ind AS-19 and the amounts recognised in the Company's financial statements as at 31<sup>st</sup> March 2024:**

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>i. Reconciliation of Opening and Closing Balances of defined benefit obligation:</b>		
Liability at the beginning of the Year	760.15	689.81
Current Service Cost	119.88	122.51
Interest Cost	55.87	47.60
Benefits paid	(52.77)	(59.84)
Net Actuarial losses / (gain) Recognised	(5.22)	(39.93)
<b>Liability at the end of the Year</b>	<b>877.91</b>	<b>760.15</b>
<b>ii. Reconciliation of Opening and Closing Balances of the Fair value of Plan assets:</b>		
Plan assets at the beginning of the Year, at Fair value	702.48	596.36
Expected return on plan assets	51.63	41.13
Contributions	140.06	130.35

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Benefit paid	(52.77)	(59.84)
Actuarial gain/(loss) on plan assets	(6.19)	(5.52)
<b>Plan assets at the end of the Year, at Fair Value</b>	<b>835.21</b>	<b>702.48</b>
<b>iii. Present value of defined benefit obligation and Fair value of plan assets:</b>		
Obligations at the end of the Year	877.91	760.15
Plan assets at the end of the Year, at Fair value	(835.21)	(702.48)
<b>Liability recognised in balance sheet at the end of the Year</b>	<b>42.70</b>	<b>57.67</b>
<b>iv. Expense recognised in the statement of profit and loss for the year</b>		
Current Service Cost	119.88	122.51
Interest Cost	55.87	47.60
Expected returns on plan assets	(51.63)	(41.13)
<b>Total</b>	<b>124.12</b>	<b>128.98</b>
<b>v. Expense recognised in the other comprehensive income for the year</b>		
Actuarial (gain)/loss on obligation for the period	(5.22)	(39.93)
Return on planned asset, excluding Interest Income	6.19	5.52
<b>Total</b>	<b>0.97</b>	<b>(34.41)</b>
<b>vi. Actuarial Assumptions</b>		
Discount Rate (per annum)*	7.17%	7.35%
Expected rate of return on plan assets**	7.17%	7.35%
Salary Escalation***	9.00%	9.00%
Attrition Rate	16.70%	12.00%
Weighted average duration of defined benefit obligation	5 Years	7 Years
Retirement Age	58 Years	58 Years
Mortality Rate	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban

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

\*\*Expected rate of return on plan assets is determined based on the nature of assets and prevailing economic scenario.

\*\*\* The estimate of future salary increases considered, takes into account inflation, seniority, promotion, increments and other relevant factors.

**vii. Sensitivity Analysis for each significant actuarial assumption:**

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
<b>Projected Benefit Obligation on Current Assumptions</b>	<b>877.91</b>	<b>760.14</b>
Impact of increase in discount rate by 1 %	(33.22)	(37.56)
Impact of decrease in discount rate by 1 %	36.30	41.76
Impact of increase in salary escalation rate by 1 %	32.99	38.24
Impact of decrease in salary escalation rate by 1 %	(30.91)	(35.18)
Impact of increase in employee turnover rate by 1 %	(5.33)	(5.25)
Impact of decrease in employee turnover rate by 1 %	5.60	5.57

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

**viii. Investment details of plan assets:**

The plan assets are managed by Insurance Company viz Life Insurance Corporation of India who has invested the funds substantially as under:

Particulars	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Insurance Fund - investment in LIC policy	835.21	702.48

**ix. Balance Sheet Reconciliation**

Particulars	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
<b>Opening Net Liability</b>	57.67	93.45
Expense Recognised in Statement in profit or Loss	124.12	128.97
Expenses Recognised in OCI	0.97	(34.41)
Employer Contribution	(140.06)	(130.34)
<b>Net Liability/(Asset) recognised in the balance sheet</b>	<b>42.70</b>	<b>57.67</b>

**x. Maturity Profile**

Particulars	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
1 <sup>st</sup> Following Year	158.30	99.24
2 <sup>nd</sup> Following Year	126.81	79.27
3 <sup>rd</sup> Following Year	122.08	104.79
4 <sup>th</sup> Following Year	109.16	85.57
5 <sup>th</sup> Following Year	116.08	80.07
Sum of Years 6 to 10	344.01	351.87
Sum of Years 11 and above	261.58	422.00

**xi. Expected contribution during the next annual reporting period**

The Company's best expected contribution during the next year is INR 166.83 Lakhs.

**(c) Compensated absences:**

Actuarial Valuation for Compensated Absences is done as at the year end and the provision is made based on leave balances derived as per Company's Rules with corresponding charge to the Statement of Profit and Loss amounting to INR 55.25 Lakhs (Previous Year INR 72.76 Lakhs) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

**37** The Company has taken various derivatives to hedge its risk associated with foreign exchange fluctuations. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets. Forward exchange contracts (being derivative instruments), which are not intended for trading or speculative purposes but for hedge purposes are entered, which are available at the settlement date of certain payables and receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)

(INR in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	Amount (in Lakhs)	Amount (INR in Lakhs)	Amount (in Lakhs)	Amount (INR in Lakhs)
Hedging of Trade Receivables				
Forward Contracts	USD 72.46	6,041.35	USD 50.55	4,153.69

The details of foreign currency exposures not hedged by derivative instruments are as under:

Particulars	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	Amount (in Lakhs)	Amount (INR in Lakhs)	Amount (in Lakhs)	Amount (INR in Lakhs)
Trade Receivables	USD 81.07	6,759.21	USD 66.40	5,460.20
	EURO 11.04	992.00	EURO 6.19	553.93
	JPY 1231.99	678.16	JPY 2002.00	1,233.23
	RUB 114.13	100.16	-	-
	CAD 0.01	0.75	-	-
Other Current Financial Assets	-	-	USD 5.62	461.72
Trade Payables	USD 15.27	1,273.14	USD 41.82	3,436.26
Other Current Financial Liability	-	-	USD 4.50	369.70

### 38 FINANCIAL INSTRUMENTS: FAIR VALUE AND RISK MANAGEMENT

#### (i) Categories of Financial instruments: Financial assets and liabilities

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Financial Assets :</b>		
<b>Amortised cost</b>		
Trade receivables	34,960.89	27,375.76
Cash and Cash equivalents	1,514.21	349.92
Term deposits other than cash and cash equivalents	3,188.23	3,994.77
Other Financial Assets	2,429.71	4,654.40
<b>Fair value through profit or loss</b>		
Non-current Investment - Investments in Mutual Funds	-	12.46
Current Investment - Investments in Mutual Funds	24,370.19	13,693.01
Derivative instruments	12.12	25.00
<b>Total</b>	<b>66,475.35</b>	<b>50,105.32</b>
<b>Financial Liabilities :</b>		
<b>Amortised cost</b>		
Borrowings (including current maturities)	622.98	3,123.56
Lease Liability	350.78	31.07
Trade payables	9,443.53	9,380.00
Other Financial Liabilities	2,420.63	3,134.35
<b>Fair value through profit or loss</b>		
Derivative instruments	-	-
<b>Total</b>	<b>12,837.92</b>	<b>15,668.98</b>

#### (ii) Fair value hierarchy :

The fair values of the financial assets and liabilities are determined based on the price that would be received to sell an asset or paid to transfer a liability at the reporting date considering the fair value hierarchy as under:

Level 1: It includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

**Fair value hierarchy**

The following tables categorise the financial assets and liabilities held at fair value by the valuation methodology applied in determining their fair value.

<b>As at 31<sup>st</sup> March 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets :</b>				
Investment in Mutual Funds	24,370.19	-	-	24,370.19
Derivative financial assets	-	12.12	-	12.12
<b>Financial liability:</b>				
Derivative financial liability	-	-	-	-
<b>As at 31<sup>st</sup> March 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets :</b>				
Investment in Mutual Funds	13,705.46	-	-	13,705.46
Derivative financial assets	-	25.00	-	25.00
<b>Financial liability:</b>				
Derivative financial liability	-	-	-	-

**Determination of fair values:**

Basis of assumptions used to estimated the fair value of financial assets and liabilities that are measured at fair value on recurring basis :

**Investment in Mutual Funds:** The fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

**Derivative instruments:** For forward contracts, future cash flows are estimated based on forward exchange rates and forward interest rates (from observable forward exchange rates / yield curves at the end of the reporting period) and contract forward exchange rates and forward interest rates, discounted at a rate that reflects the credit risk of various counterparties.

**(iii) Financial Risk Management**

The Company's activities are exposed to variety of financial risks. These risks include market risk (including foreign currency risk, interest rate risks and price risk), credit risks and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company through established policies and processes which are laid down to ascertain the extent of risks, setting appropriate limits, controls, continuous monitoring and its compliance.

**A Market Risk :**

Market risk refers to the possibility that changes in the market rates may have impact on the Company's profits or the value of its holding of financial instruments. The Company is exposed to market risks on account of foreign currency rates, interest rates and underlying equity prices.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)

(INR in Lakhs)

### A1 Foreign currency risk :

The Company's foreign currency risk arises from its foreign currency transactions and foreign currency borrowings. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

The overall objective of the foreign currency risk management is to minimise the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

The major foreign currency exposures for the Company are denominated in USD. Additionally, there are transactions which are entered into in other currencies and are not significant in relation to the total volume of the foreign currency exposures. The Company hedges some trade receivables and future cash flows upto a maximum of 6 months forward based on historical trends, budgets and monthly sales estimates.

The following table sets forth information relating to foreign currency exposure:

(INR in Lakhs)

As at 31 <sup>st</sup> March 2024	US Dollars	Others*	Total
<b>Assets :</b>			
Trade and other receivables	12,800.56	1,771.07	14,571.63
<b>Total</b>	<b>12,800.56</b>	<b>1,771.07</b>	<b>14,571.63</b>
<b>Liabilities :</b>			
Trade and other payables	1,273.14	-	1,273.14
<b>Total</b>	<b>1,273.14</b>	<b>-</b>	<b>1,273.14</b>
<b>Net Balance (Assets - Liabilities)</b>	<b>11,527.42</b>	<b>1,771.07</b>	<b>13,298.49</b>

(INR in Lakhs)

As at 31 <sup>st</sup> March 2023	US Dollars	Others*	Total
<b>Assets :</b>			
Cash and cash equivalents	-	-	-
Trade and other receivables	10,075.61	1,787.16	11,862.77
<b>Total</b>	<b>10,075.61</b>	<b>1,787.16</b>	<b>11,862.77</b>
<b>Liabilities :</b>			
Trade and other payables	3,805.96	-	3,805.96
<b>Total</b>	<b>3,805.96</b>	<b>-</b>	<b>3,805.96</b>
<b>Net Balance (Assets - Liabilities)</b>	<b>6,269.65</b>	<b>1,787.16</b>	<b>8,056.81</b>

\*Others mainly includes currencies namely Ruble, Euro and Japanese Yen.

### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD rates to the functional currency of entity, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material. The impact on the Company's profit after tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	Changes in USD rate	Effect on profit after tax
As at 31 <sup>st</sup> March 2024	+2%	82.11
	-2%	(82.11)
As at 31 <sup>st</sup> March 2023	+2%	93.83
	-2%	(93.83)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

**A2 Interest rate risk :**

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company is exposed to fluctuations in interest rates in respect of term loan carrying a floating rate of interest. In respect of term loan, the Company has outstanding borrowing of INR 622.98 Lakhs as at 31<sup>st</sup> March 2024 (As at 31<sup>st</sup> March 2023: INR 3,123.56 Lakhs) The following table demonstrates the sensitivity to a reasonable possible change on interest rates on that position of borrowing affected. with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate of borrowing as follows:

Particulars	Effect on Profit before tax	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Increase by 50 basis points	(3.11)	(15.62)
Decrease by 50 basis points	3.11	15.62

**A3 Price Risk :**

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices which arises on account of movement in interest rates, liquidity and credit quality of underlying securities.

Particulars	Effect on Profit before tax	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Increase by 2% in prices of investment	487.40	274.11
Decrease by 2% in prices of investment	(487.40)	(274.11)

**B Credit Risk :**

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The Company establishes a loss allowance that represents its estimate of expected losses in respect of trade receivables. The maximum exposure to credit risk as at reporting date is from trade receivables amounting to INR 139.07 Lakhs (31<sup>st</sup> March 2023: INR 87.30 Lakhs). The movement in loss allowance in respect of trade receivables during the year was as follows:

Movement in expected credit loss allowance on trade receivable	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Opening Balance	87.30	78.06
Add:- Loss Allowance	51.77	9.24
<b>Closing Balance</b>	<b>139.07</b>	<b>87.30</b>

There are no trade receivables accounting for more than 10% of the Company's total trade receivables as at 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2023. Refer note 12 for ageing of trade receivables.

Movement in expected credit loss allowance on Market Access Initiative Scheme (MAI scheme).	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Opening Balance	226.95	226.95
Add:- Loss Allowance	-	-
<b>Closing Balance</b>	<b>226.95</b>	<b>226.95</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)

(INR in Lakhs)

### C Liquidity Risk :

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity.

Contractual maturities of significant financial liabilities are as below:

As at 31 <sup>st</sup> March 2024	Less than 1 year	Between 1-2 years	Between 2 - 5 years	More than 5 years	Total
Borrowings	622.98	-	-	-	622.98
Lease Liabilities	162.08	187.55	1.15	-	350.78
Trade payables	9,443.53	-	-	-	9,443.53
Other financial Liabilities	2,420.63	-	-	-	2,420.63
<b>Total</b>	<b>12,649.22</b>	<b>187.55</b>	<b>1.15</b>	<b>-</b>	<b>12,837.92</b>

As at 31 <sup>st</sup> March 2023	Less than 1 year	Between 1-2 years	Between 2 - 5 years	More than 5 years	Total
Borrowings	2,500.00	623.56	-	-	3,123.56
Lease Liabilities	14.69	7.84	8.54	-	31.07
Trade payables	9,380.00	-	-	-	9,380.00
Other financial Liabilities	3,134.35	-	-	-	3,134.35
<b>Total</b>	<b>15,029.04</b>	<b>631.40</b>	<b>8.54</b>	<b>-</b>	<b>15,668.98</b>

### (iv) Capital Management

The capital structure of the Company consists of equity and debt. The Company's objective for capital management is to maintain the capital structure which will support the Company's strategy to maximise shareholder's value, safeguarding the business continuity and help in supporting the growth of the Company.

The Company monitors capital using gearing ratio, which is net debt (total debt less Cash and cash equivalents) divided by Total Equity.

#### Gearing Ratio

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Total borrowings (Refer Note 18)	622.98	3,123.56
Less: Cash and cash equivalents [Refer Note 13(a)]	1,514.21	349.92
<b>Net Debt (A)</b>	<b>(891.23)</b>	<b>2,773.64</b>
<b>Total Equity (B)</b>	<b>1,52,664.55</b>	<b>1,29,000.25</b>
<b>Gearing Ratio (C=A/B)</b>	<b>(0.58%)</b>	<b>2.15%</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

**39 RELATED PARTY TRANSACTIONS**
**(a) List of related parties and relationship**

<b>Key Management Personnel (KMP):</b>	Mr. Sudhir Vaid, Chairman & Managing Director	Mr. Amitabh Thakore, Independent Director
	Mr. Ankur Vaid, Joint Managing Director & CEO	Mrs. Bharti Khanna, Independent Director
	Mr. Utpal Sheth, Non-executive Director (upto 30 <sup>th</sup> September 2023)	Mr. Anil Katyal, Independent Director (Upto 25 <sup>th</sup> August 2023)
	Mr. Amit Varma, Non-executive Director (Upto 19 <sup>th</sup> August 2023)	Mr. Rajeev Agrawal, Independent Director (Upto 30 <sup>th</sup> May 2022 )
	Mr. Rajiv Ambrish Agarwal, Non-executive Director	Mr. Arvind Agarwal, Independent Director (W.e.f 24 <sup>th</sup> May 2022)
	Mr. Ravi Kapoor, Non-executive Director	Mr. Jayaram Easwaran, Independent Director (W.e.f. 14 <sup>th</sup> June 2022)
	Mr. Lalit Sethi, Chief Financial Officer	Mr. Mandayam Chakravarthy Sriraman, Independent Director (W.e.f. 14 <sup>th</sup> June 2022)
	Mr. Prakash Sajani, Asst. Vice President- Finance & Company Secretary	
<b>Relative of Key Management Personnel:</b>	Mrs. Manju Vaid	Mrs. Megha Vaid
	Col. S. K. Vaid	Mrs. Sonal Kumra
<b>Enterprises controlled by / under significantly influenced by Directors and/or their relatives:</b>	Sudman Consultants LLP	Ravi Kapoor & Associates
<b>Joint Venture:</b>	Concord Biotech Japan K.K.	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)

(INR in Lakhs)

(b) Transaction with related parties:	Types of Transactions	Key Management Personnel		Relatives of Key Management Personnel		Joint Venture		Enterprises controlled by / under significantly influenced by Directors and/or their relatives:		Total	
		Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
	<b>Remuneration Paid:</b>										
	Mr. Sudhir Vaid	501.60	501.60	-	-	-	-	-	-	501.60	501.60
	Mr. Ankur Vaid	288.60	288.60	-	-	-	-	-	-	288.60	288.60
	Mrs. Megha Vaid	-	-	76.76	63.87	-	-	-	-	76.76	63.87
	Mrs. Sonal Kumra	-	-	84.79	70.58	-	-	-	-	84.79	70.58
	Mr. Lalit Sethi	57.54	54.67	-	-	-	-	-	-	57.54	54.67
	Mr. Prakash Sajhani	42.25	37.77	-	-	-	-	-	-	42.25	37.77
	<b>Total</b>	<b>889.99</b>	<b>882.64</b>	<b>161.55</b>	<b>134.45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,051.54</b>	<b>1,017.09</b>
	<b>Professional Fees:</b>										
	Ravi Kapoor & Associates	-	-	-	-	-	-	27.95	24.46	27.95	24.46
	Col. S. K. Vaid	-	-	55.42	48.61	-	-	-	-	55.42	48.61
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>55.42</b>	<b>48.61</b>	<b>-</b>	<b>-</b>	<b>27.95</b>	<b>24.46</b>	<b>83.37</b>	<b>73.07</b>
	<b>Rent paid:</b>										
	Mr. Sudhir Vaid	130.11	121.60	-	-	-	-	-	-	130.11	121.60
	Mrs. Manju Vaid	-	-	41.74	39.01	-	-	-	-	41.74	39.01
	<b>Total</b>	<b>130.11</b>	<b>121.60</b>	<b>41.74</b>	<b>39.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>171.85</b>	<b>160.61</b>
	<b>Sale of Products:</b>										
	Concord Biotech Japan K.K.	-	-	-	-	4,305.98	5,395.70	-	-	4,305.98	5,395.70
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,305.98</b>	<b>5,395.70</b>	<b>-</b>	<b>-</b>	<b>4,305.98</b>	<b>5,395.70</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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(INR in Lakhs)

Types of Transactions	Key Management Personnel		Relatives of Key Management Personnel		Joint Venture		Enterprises controlled by / under significantly influenced by Directors and/or their relatives:		Total	
	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Director Sitting Fees:</b>										
Mr. Ravi Kapoor	4.00	2.20	-	-	-	-	-	-	4.00	2.20
Mr. Utpal Sheth	1.50	0.70	-	-	-	-	-	-	1.50	0.70
Mr. Rajiv Ambrish Agarwal	4.00	2.20	-	-	-	-	-	-	4.00	2.20
Mr. Amitabh Thakore	3.00	2.20	-	-	-	-	-	-	3.00	2.20
Mrs. Bharti Khanna	4.00	1.70	-	-	-	-	-	-	4.00	1.70
Mr. Anil Katyal	2.50	2.20	-	-	-	-	-	-	2.50	2.20
Mr. Mandayam Chakravarthy Sriraman	3.50	1.50	-	-	-	-	-	-	3.50	1.50
Mr. Arvind Agarwal	4.00	2.00	-	-	-	-	-	-	4.00	2.00
Mr. Jayaram Easwaran	4.00	2.00	-	-	-	-	-	-	4.00	2.00
<b>Total</b>	<b>30.50</b>	<b>16.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30.50</b>	<b>16.70</b>
<b>Dividend Paid:</b>										
Mr. Sudhir Vaid	2,060.58	1,544.68	-	-	-	-	-	-	2,060.58	1,544.68
Mrs. Manju Vaid	-	-	682.14	511.35	-	-	-	-	682.14	511.35
Mr. Ankur Vaid	40.06	30.03	-	-	-	-	-	-	40.06	30.03
Mrs. Megha Vaid	-	-	37.36	28.01	-	-	-	-	37.36	28.01
Mrs. Sonal Kumra	-	-	5.05	3.78	-	-	-	-	5.05	3.78
Mr. Ravi Kapoor	15.03	11.26	-	-	-	-	-	-	15.03	11.26
Mr. Rajiv Ambrish Agarwal	8.91	6.68	-	-	-	-	-	-	8.91	6.68
Mr. Prakash Sajjani	1.50	1.13	-	-	-	-	-	-	1.50	1.13
Sudman Consultants LLP	-	-	-	-	-	-	-	324.56	324.56	243.30
<b>Total</b>	<b>2,126.08</b>	<b>1,593.78</b>	<b>724.55</b>	<b>543.14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>324.56</b>	<b>3,175.19</b>	<b>2,380.22</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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(INR in Lakhs)

(c) Outstanding Balances with related parties	Types of Transactions	Key Management Personnel		Relatives of Key Management Personnel		Joint Venture		Enterprises controlled by / under significantly influenced by Directors and/or their relatives:		Total	
		Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
	<b>Payables for employee benefits:</b>										
	Mr. Sudhir Vaid	20.70	20.70	-	-	-	-	-	-	20.70	20.70
	Mr. Ankur Vaid	13.15	12.74	-	-	-	-	-	-	13.15	12.74
	Mrs. Megha Vaid	-	-	3.45	3.20	-	-	-	-	3.45	3.20
	Mrs. Sonal Kumra	-	-	3.39	3.62	-	-	-	-	3.39	3.62
	Mr. Lalit Sethi	3.91	3.38	-	-	-	-	-	-	3.91	3.38
	Mr. Prakash Sajhani	2.89	2.11	-	-	-	-	-	-	2.89	2.11
	<b>Total</b>	<b>40.65</b>	<b>38.93</b>	<b>6.84</b>	<b>6.82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47.50</b>	<b>45.75</b>
	<b>Trade Payables:</b>										
	Ravi Kapoor & Associates	-	-	-	-	-	-	2.06	1.83	2.06	1.83
	Col. S. K. Vaid	-	-	4.99	4.38	-	-	-	-	4.99	4.38
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>4.99</b>	<b>4.38</b>	<b>-</b>	<b>-</b>	<b>2.06</b>	<b>1.83</b>	<b>7.05</b>	<b>6.21</b>
	<b>Trade receivables:</b>										
	Concord Biotech Japan K.K.	-	-	-	-	678.15	1,233.23	-	-	678.15	1,233.23
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>678.15</b>	<b>1,233.23</b>	<b>-</b>	<b>-</b>	<b>678.15</b>	<b>1,233.23</b>

1. Outstanding balance at the year end are unsecured and interest free and settlement occurs through bank.
2. Company has not provided any commitment to the related party as at 31<sup>st</sup> March 2024 (P.Y -Nil)
3. The Company has neither made any provision nor written off / written back any balances pertaining to related parties.
4. All above transactions are in the normal course of business and are made on terms equivalent to those that prevail arm's length transactions.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

**40 SEGMENT REPORTING**

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

The Company is engaged in the business of manufacturing and trading in pharmaceutical products. The entire business is considered as a single operating segment for the purpose of making decision on allocation of resources and assessing its performance.

**Geographical segment**

Geographical segment is considered based on sales within India and outside India. In outside India, company separately disclosed sales to America and Others.

Particulars	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
<b>i) Segment Revenue</b>		
<b>Revenue from Operations [*]</b>		
(a) Within India	53,420.94	43,213.41
(b) Outside India		
(i) America	10,798.23	14,725.14
(ii) Others	37,474.75	27,378.27
<b>Total Revenue from Operations</b>	<b>1,01,693.92</b>	<b>85,316.82</b>
<b>ii) Non Current operating assets [**]:</b>		
(a) Within India	79,477.81	77,329.68
(b) Outside India	-	-
(i) America	-	-
(ii) Others	-	-
(c) Unallocable [***]	205.86	-
<b>Total Non Current operating assets</b>	<b>79,683.67</b>	<b>77,329.68</b>

[\*] The revenue information above is based on the locations of the customers.

[\*\*] Non Current Operating Assets for this purpose consist of property, plant and equipment, capital work-in-progress, intangible assets, right-of use assets and investment in joint venture.

[\*\*\*] Non Current Investment in Concord Biotech Japan K.K. is considered as unallocable.

**Information about major customers:**

There are no customers accounting for more than 10% of the Revenue in the year ended 31<sup>st</sup> March 2024 and Previous year 31<sup>st</sup> March 2023.

**41 RESEARCH & DEVELOPMENT**

The Company's facility is approved for Research & Development by Department of Science & Industrial Research (DSIR). The Company has incurred expenditure of revenue nature on Research & Development, details of which are as under:

Particulars	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023
Cost of Materials Consumed	391.21	610.04
Salaries & Wages	1,088.43	1,046.42
Power & Fuel	90.57	66.18
Depreciation	162.96	182.98
Other Expenses	528.20	1,053.28
	<b>2,261.37</b>	<b>2,958.90</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)

(INR in Lakhs)

### 42 DISCLOSURE REQUIREMENT AS PER SCHEDULE III

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (v) The Company has not received any fund from any person(s) or entity (ies) including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (vii) The Company is not declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- (viii) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.
- (ix) The Company doesn't have any co-owned properties or the properties (including properties for which the lease agreement executed and disclosed as 'Right-of-Use Assets' in restated consolidated financial information) title deed of which are held by the others.
- (x) The Company has not granted any Loans or Advances in the nature of loans to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.
- (xi) The Company has used the borrowings from the banks for its intended purpose during the financial year.
- (xii) The Company did not have any transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the current and previous financial year.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

(xiii) Ratio Analysis									
Name	Numerator	Denominator	Year Ended 31 <sup>st</sup> March 2024	Year Ended 31 <sup>st</sup> March 2023	% Variance	Reason			
(a) Current Ratio (in times)	Total current assets	Total current liabilities	6.30	3.79	66.23%	Current ratio has increased due to surplus fund parked in Current assets during the year.			
(b) Debt-Equity Ratio (in times)	Debt consists of borrowings	Total equity	-	0.02	(100%)	Ratio has reduced due to repayments of quarterly instalments of term loan.			
(c) Debt Service Coverage Ratio (DSCR) (in times)	Earning for Debt Service = Net Profit after taxes + Depreciation and Amortisation expenses + Interest	Debt service = Interest and lease payments + Principal repayments	13.52	10.32	31.00%	DSCR has increased due to increase in profitability for the year.			
(d) Return on Equity / Return on Networth Ratio (in %)	Profit for the year	Average total equity	22.00%	20.06%	9.67%	-			
(e) Inventory turnover ratio (in times)	Cost of goods sold	Average inventory	1.09	0.88	23.86%	-			
(f) Trade Receivables turnover ratio (in times)	Revenue from contract with customers	Average trade receivables	3.20	3.28	(2.44%)	-			
(g) Trade payables turnover ratio (in times)	Purchases of materials and purchase of stock-in-trade	Average trade payables	2.38	2.21	7.69%	-			
(h) Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	1.35	1.59	(15.09%)	-			
(i) Net profit ratio (in %)	Profit for the year	Revenue from operations	30.00%	28.14%	6.61%	-			
(j) Return on Capital employed (in %)	Profit before tax and finance costs (excl. Interest expense on lease liabilities)	Capital employed = Tangible Net worth + Total Borrowings + Deferred tax liabilities	27.00%	24.27%	11.25%	-			
(k) Return on investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	8.00%	4.41%	81.40%	Increase in Return on Investment from Mutual fund are on account of fluctuation in market Yields.			





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)

(INR in Lakhs)

**43**

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 Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on 13<sup>th</sup> November 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**44**

During the year ended 31<sup>st</sup> March 2024, the Company's equity shares have been listed on National Stock Exchange ("NSE") and on BSE Limited ("BSE") on 18<sup>th</sup> August 2023, by completing Initial Public Offering ("IPO") through offer for sale ("OFS") of 2,09,25,652 equity shares of face value of INR 1 each at an issue price of INR 741 per equity share by Helix Investment Holdings Pte Limited, Singapore ("selling shareholder").

The Company has received proceeds in the share escrow account amounting to INR 1,55,052.08 Lakhs out of which INR 1,48,814.66 Lakhs paid to selling shareholders and INR 5,669.89 Lakhs to various parties for initial public offer expenses. The remaining funds amounting to INR 567.53 Lakhs which are yet to be paid to the selling shareholders after payments of initial public offer expenses is held in share escrow account and disclosed under Note 13 Cash and Bank balances as "share escrow account".

The Company has receivable balance of share issue expenses in connection with the public offer of equity shares amounting to INR NIL (31<sup>st</sup> March 2023: INR 1,268.16 Lakhs). As per the Offer Agreement entered between the Company and the selling shareholders, the selling shareholders shall reimburse the share issue expenses except for the listing fees which has been solely borne by the Company. Accordingly, the Company has recovered the expenses incurred in connection with the Issue on completion of IPO during the current year. The entire amount was disclosed under the Note 14 Other Financial Assets as "IPO expense reimbursement receivable".

The Company has payable balance to selling shareholders and various parties for initial public offer expenses was disclosed under the Note 22 Other financial liabilities as "Payable to selling shareholders and others"

Being 100% offer for sale, the Company has not presented the utilisation of the proceeds of IPO. The unutilised amount as on 31<sup>st</sup> March 2024, is held in bank account with schedule commercial bank.

### **45 DISCLOSURE FOR MAINTENANCE OF BOOKS OF ACCOUNTS WITH AUDIT TRAIL**

The Ministry of Corporate Affairs (MCA) has issued a notification dated 24<sup>th</sup> March 2021 (Companies(Accounts) Amendments Rules, 2021) which is effective from 1<sup>st</sup> April 2023, states that every Company which uses accounting software for maintaining its books of account shall use only such accounting software which has a feature of recording audit trail of each and every transaction, and further creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

In Case of Company incorporated in India, in respect of Primary accounting software used from 1<sup>st</sup> April 2023 to 12<sup>th</sup> June 2023, there was no feature of recording the audit trail (edit log). Thereafter, the Company has upgraded to advanced version of the accounting software having feature of recording audit trail of each and every transaction, and creating an edit log of each change made along with the date when such changes were made and also audit trail cannot be disabled.

### **46 INTEREST IN JOINT VENTURE**

Sr No.	Name of Entity	Country of Incorporation	Activities	% of Ownership Interest As at 31 <sup>st</sup> March 2024	% of Ownership Interest As at 31 <sup>st</sup> March 2023	Accounting Method	Carrying Amount	
							As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Joint Venture</b>								
1	Concord Biotech Japan K.K.	Japan	Pharmaceutical	50%	50%	Equity Method	205.86	(131.27)

\*There is no contingent liability in the books of Concord Biotech Japan K.K.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024 (contd.)**

(INR in Lakhs)

**47 ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III OF COMPANIES ACT, 2013**

Name of Entity	For the financial year ending on / as at 31 <sup>st</sup> March 2024							
	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or (loss)		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit / (loss)	Amount	As a % of consolidated OCI	Amount	As a % of consolidated Total Comprehensive Income / (loss)	Amount
<b>Parent</b>								
Concord Biotech Limited	100.00%	1,52,664.55	98.91%	30,473.18	100.00%	(0.73)	98.91%	30,472.46
<b>Joint Venture</b>								
Concord Biotech Japan K.K	0.00%	-	1.09%	337.13	0.00%	-	1.09%	337.13
<b>Grand Total</b>	<b>100.00%</b>	<b>1,52,664.55</b>	<b>100.00%</b>	<b>30,810.32</b>	<b>100.00%</b>	<b>(0.73)</b>	<b>100.00%</b>	<b>30,809.59</b>

Name of Entity	For the financial year ending on / as at 31 <sup>st</sup> March 2023							
	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or (loss)		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit / (loss)	Amount	As a % of consolidated OCI	Amount	As a % of consolidated Total Comprehensive Income / (loss)	Amount
<b>Parent</b>								
Concord Biotech Limited	100.00%	1,29,000.25	99.18%	23,812.64	100.00%	25.75	99.18%	23,838.39
<b>Joint Venture</b>								
Concord Biotech Japan K.K	0.00%	-	0.82%	195.93	0.00%	-	0.82%	195.93
<b>Grand Total</b>	<b>100.00%</b>	<b>1,29,000.25</b>	<b>100.00%</b>	<b>24,008.57</b>	<b>100.00%</b>	<b>25.75</b>	<b>100.00%</b>	<b>24,034.32</b>

**48 EVENTS AFTER THE REPORTING PERIOD**

The Board of Directors in their meeting held on 23<sup>rd</sup> May 2024, proposed a final equity dividend of INR 8.75 per equity share of INR 1 each fully paid up for the financial year 2023-24

For and on behalf of board of directors of  
 Concord Biotech Limited  
 CIN: L24230GJ1984PLC007440

**Sudhir Vaid**  
 Chairman & Managing Director  
 DIN: 00055967

**Ravi Kapoor**  
 Director  
 DIN: 00003847

**Lalit Sethi**  
 Chief Financial Officer

**Prakash Sajjani**  
 Asst. Vice President - Finance & Company Secretary

Place: Ahmedabad  
 Date: 23<sup>rd</sup> May 2024



# **CONCORD BIOTECH**

*Biotech for Mankind...*

Concord Biotech Limited

16<sup>th</sup> Floor, B-Wing, Mondeal Heights Iscon Cross Road,  
S.G. Highway, Ahmedabad - 380015, Gujarat, India.

Telephone: +91 79 68138700, Fax: +91 2714222504, E-mail: [finance@concordbiotech.com](mailto:finance@concordbiotech.com)

# NOTICE

**NOTICE IS HEREBY GIVEN THAT** the 39<sup>th</sup> Annual General Meeting of CONCORD BIOTECH LIMITED will be held on 29<sup>th</sup> day of June, 2024 through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") at 04.00 p.m. to transact the following business:

## **ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the Audited Standalone and Consolidated Financial Statements for the financial year ended on 31<sup>st</sup> March 2024 together with the Auditor and Directors' Report thereon.
2. To declare dividend for the financial year 2023-24.
3. To appoint Mr. Ravi Kapoor (DIN: 00003847) who retires by rotation and being eligible offers himself for reappointment as Director.
4. To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to review and recommendation of Audit Committee and Board of Directors of the Company, M/s BSR & Co. LLP, Chartered Accountants, having Firm's Registration No. 101248/W/W-100022 be and is hereby appointed as Statutory Auditors of the Company in place of existing retiring Auditors M/s. Deloitte Haskins and Sells, Chartered Accountants having Firm's Registration No. 117365W, for a term of 5 (Five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting for the financial year 2028-29, at such remuneration as shall be fixed by the Board of Directors of the Company and Auditor.

RESOLVED FURTHER THAT any one of the Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be required in order to give effect to the above resolution on behalf of the Company."

## **SPECIAL BUSINESS:**

5. To consider and if thought fit to pass the following Resolution, with or without modification as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force the Members of the Company be and is hereby ratify the remuneration of INR 4,60,000 (Rupees four lakhs sixty thousand only). plus applicable Goods and Service Tax, p.a. and reimbursement of all reasonable out of pocket expenses incurred, if any payable to M/s. Dalwadi & Associates, Cost Accountants, who have been appointed by the Board of Directors on the recommendation of the Audit Committee as the Cost Auditors of the Company to carry out the cost audit for the financial year ending on 31<sup>st</sup> March 2025."

By **Order of the Board**

Place: Ahmedabad  
Date: 23<sup>rd</sup> May 2024

**(SUDHIR VAID)**

DIN: 00055967  
Chairman & Managing Director  
Registered Office:  
1482-86, Trasad Road, Dholka,  
Dist. Ahmedabad- 382225





## NOTICE (contd.)

### NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the "Act") read together with the rules made thereunder and other applicable provisions, if any, in respect of the business under Item No. 4 & 5 of the Notice is annexed hereto and forms part of this Notice.
2. The Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5<sup>th</sup> May 2020, General Circular No. 02/2021 dated January 13 2021, General Circular No. 19/2021 dated 8<sup>th</sup> December 2021, Circular No. 21/2021 dated December 14 2021, General Circular No.2/2022 dated 5<sup>th</sup> May 2022 General Circular No. 11/2022 dated December 28 2022 and General Circular No. 09/2023 dated 25<sup>th</sup> September 2023 ("MCA Circulars") and other applicable circulars issued by the Securities and Exchange Board of India (SEBI) including Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7<sup>th</sup> October 2023, has permitted the Companies to conduct the Annual General Meeting ('AGM') through Video Conferencing (VC) or Other Audio Visual Means (OAVM) till 30<sup>th</sup> September, 2024. In accordance with the said circulars of MCA, SEBI and applicable provisions of the Companies Act, 2013 (the 'Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations'), the 39<sup>th</sup> AGM of the Company shall be conducted through VC/OAVM (hereinafter called 'AGM'). Link Intime India Private Limited ("LIPL") will provide facility for voting through remote e-voting, participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at Note below and is also available on the website of the Company at [www.concordbiotech.com](http://www.concordbiotech.com).
3. In terms of sections 101 and 136 of the Act, read with the rules made thereunder, the listed companies may send the notice of AGM and the annual report, including financial statements, boards' report, etc. by electronic mode. Pursuant to the said provisions of the Act read with MCA Circulars and SEBI Circular dated 7<sup>th</sup> October 2023, Notice of 39<sup>th</sup> AGM along with the Annual Report for F.Y. 2023-2024 is being sent only through electronic mode to those members whose email addresses are registered with the Company/depositories. Members may note that the Notice of the 39<sup>th</sup> AGM and Annual Report for F.Y. 2023-2024 will also be available on the Company's website at [www.concordbiotech.com](http://www.concordbiotech.com), website of the stock exchanges i.e., BSE Ltd. ('BSE') at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Ltd. ('NSE') at [www.nseindia.com](http://www.nseindia.com) and on the website of LINKINTIME INDIA PRIVATE LIMITED at <https://instavote.linkintime.co.in>. In this notice, the term member(s) or shareholder(s) are used interchangeably.
4. The deemed venue for 39<sup>th</sup> AGM shall be the Registered Office of the Company at 1482-86, Trasad Road, Dholka, Dist. Ahmedabad- 382225.
5. In terms of Section 152 of the Companies Act, 2013, Mr. Ravi Kapoor, (DIN: 00003847), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The relevant details, pursuant to Regulations 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment/appointment at this AGM is annexed as **Annexure-1**.
6. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Sunday, 23<sup>rd</sup> June, 2024 to Saturday, 29<sup>th</sup> June, 2024 (both days inclusive).
7. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
8. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders with effect from 1<sup>st</sup> April 2020. Accordingly, the Company is required to deduct tax at source from dividend subject to the approval of payment of dividend to shareholders. For the prescribed rates for various categories, shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.
9. To support the 'Green Initiative', the Company requests those Members who have not yet registered their e-mail address, to register the same directly with their DP, in case shares are held in electronic form and to the Company, in case shares are held in physical form. Further, members holding shares in electronic form are requested to notify the changes in the above particulars, if any, directly to their Depository Participants (DP).

## NOTICE (contd.)

10. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorisation etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorisation shall be sent to the Scrutiniser by email through its registered email address to [ashish@ravics.com](mailto:ashish@ravics.com) with a copy marked to [complianceofficer@concordbiotech.com](mailto:complianceofficer@concordbiotech.com)
  11. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and pursuant to above mentioned MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Link Intime India Private Limited for facilitating voting through electronic means, as the authorised e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting facility on the date of the AGM will be provided by Link Intime India Private Limited.
  12. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
  13. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
  14. Pursuant to MCA General Circular No. 09/2023 dated 25<sup>th</sup> September 2023, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
  15. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 28<sup>th</sup> June, 2024 (upto 05:00 P.M.) through email on [complianceofficer@concordbiotech.com](mailto:complianceofficer@concordbiotech.com). The same will be replied by the Company suitably.
  16. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
- Remote e-Voting Instructions for shareholders:**
- As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.
- Login method for Individual shareholders holding securities in demat mode is given below:**
- The voting period begins on Wednesday, 26<sup>th</sup> June 2024 (9.00 a.m. IST) to Friday, 28<sup>th</sup> June 2024 (5.00 p.m. IST). During this period shareholder's of the Company, either in physical form or in dematerialized form, as on Saturday, 22<sup>nd</sup> June 2024 (the cut- off date) may cast their vote electronically. The e-voting module shall be disabled for voting thereafter.
- Individual Shareholders holding securities in demat mode with NSDL:**
- METHOD 1 - If registered with NSDL IDeAS facility**
- Users who have registered for NSDL IDeAS facility:**
- a) Visit URL: <https://eservices.nsdl.com> and click on "Beneficial Owner" icon under "Login".
  - b) Enter user id and password. Post successful authentication, click on "Access to e-voting".
  - c) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.
- OR
- User not registered for IDeAS facility:**
- a) To register, visit URL: <https://eservices.nsdl.com> and select "Register Online for IDeAS Portal" or click on <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>

## NOTICE (contd.)

- b) Proceed with updating the required fields.
- c) Post registration, user will be provided with Login ID and password.
- d) After successful login, click on "Access to e-voting".
- e) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

### **METHOD 2 - By directly visiting the e-voting website of NSDL:**

- a) Visit URL: <https://www.evoting.nsdl.com/>
- b) Click on the "Login" tab available under 'Shareholder/Member' section.
- c) Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
- d) Post successful authentication, you will be re-directed to NSDL depository website wherein you can see "Access to e-voting".
- e) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

### **Individual Shareholders holding securities in demat mode with CDSL:**

#### **METHOD 1 – From Easi/Easiest**

##### **Users who have registered/ opted for Easi/Easiest**

- a) Visit URL: <https://web.cdslindia.com/myeasitoken/Home/Login> or [www.cdslindia.com](http://www.cdslindia.com).
- b) Click on New System Myeasi
- c) Login with user id and password
- d) After successful login, user will be able to see e-voting menu. The menu will have links of e-voting service providers i.e., LINKINTIME, for voting during the remote e-voting period.
- e) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

##### **Users not registered for Easi/Easiest**

- a) To register, visit URL: <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration> / <https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration>

- b) Proceed with updating the required fields.
- c) Post registration, user will be provided Login ID and password.
- d) After successful login, user able to see e-voting menu.
- e) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

### **METHOD 2 - By directly visiting the e-voting website of CDSL.**

- a) Visit URL: <https://www.cdslindia.com/>
- b) Go to e-voting tab.
- c) Enter Demat Account Number (BO ID) and PAN No. and click on "Submit".
- d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account
- e) After successful authentication, click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

### **Individual Shareholders holding securities in demat mode with Depository Participant:**

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL/CDSL for e-voting facility.

- a) Login to DP website
- b) After Successful login, members shall navigate through "e-voting" tab under Stocks option.
- c) Click on e-voting option, members will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting menu.
- d) After successful authentication, click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

### **Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:**

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

## NOTICE (contd.)

1. Visit URL: <https://instavote.linkintime.co.in>
2. Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: -

### A. User ID:

Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

- B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable).

- C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

- D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

\*Shareholders holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

\*Shareholders holding shares in NSDL form, shall provide 'D' above

- ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).
- ▶ Click "confirm" (Your password is now generated).

3. Click on 'Login' under **'SHARE HOLDER'** tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'**.

### Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).

4. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

### Guidelines for Institutional shareholders ("Corporate Body/ Custodian/Mutual Fund"):

#### STEP 1 – Registration

- a) Visit URL: <https://instavote.linkintime.co.in>
- b) Click on Sign up under "Corporate Body/ Custodian/ Mutual Fund"
- c) Fill up your entity details and submit the form.
- d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to [insta.vote@linkintime.co.in](mailto:insta.vote@linkintime.co.in).
- e) Thereafter, Login credentials (User ID; Organisation ID; Password) will be sent to Primary contact person's email ID.
- f) While first login, entity will be directed to change the password and login process is completed.

#### STEP 2 –Investor Mapping

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on "Investor Mapping" tab under the Menu Section
- c) Map the Investor with the following details:
  - i. 'Investor ID' -
    - i. Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678
    - ii. Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
  - b. 'Investor's Name' - Enter full name of the entity.
  - c. 'Investor PAN' - Enter your 10-digit PAN issued by Income Tax Department.
  - d. 'Power of Attorney' - Attach Board resolution or Power of Attorney. File Name for the Board resolution/Power of Attorney shall be – DP ID and Client ID. Further, Custodians and Mutual Funds shall also upload specimen signature card.

## NOTICE (contd.)

- d) Click on Submit button and investor will be mapped now.
- e) The same can be viewed under the "Report Section".

### STEP 3 – Voting through remote e-voting.

The corporate shareholder can vote by two methods, once remote e-voting is activated:

#### METHOD 1 - VOTES ENTRY

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on 'Votes Entry' tab under the Menu section.
- c) Enter Event No. for which you want to cast vote. Event No. will be available on the home page of Instavote before the start of remote evoting.
- d) Enter '16-digit Demat Account No.' for which you want to cast vote.
- e) Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).
- f) After selecting the desired option i.e., Favour / Against, click on 'Submit'.
- g) A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

OR

#### VOTES UPLOAD:

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) You will be able to see the notification for e-voting in inbox.
- c) Select '**View**' icon for '**Company's Name / Event number**'. E-voting page will appear.
- d) Download sample vote file from 'Download Sample Vote File' option.
- e) Cast your vote by selecting your desired option 'Favour / Against' in excel and upload the same under 'Upload Vote File' option.
- f) Click on 'Submit'. 'Data uploaded successfully' message will be displayed. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

#### Helpdesk:

#### Helpdesk for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 – 4918 6000.

#### Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login Type	Helpdesk Details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

#### Forgot Password:

#### Individual shareholders holding securities in physical form has forgotten the password:

If an Individual shareholders holding securities in physical form has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

*In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.*



## NOTICE (contd.)

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

User ID for Shareholders holding shares in NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID

User ID for Shareholders holding shares in CDSL demat account is 16 Digit Beneficiary ID.

### **Institutional shareholders ("Corporate Body/ Custodian/ Mutual Fund") has forgotten the password:**

If a Non-Individual Shareholders holding securities in demat mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- Click on '**Login**' under '**Corporate Body/ Custodian/ Mutual Fund**' tab and further Click 'forgot password?'
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

*In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.*

### **Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:**

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

## **17. Instructions for Members to attend the AGM through (VC/OAVM) :**

Members are entitled to attend the AGM through VC/OAVM provided by RTA, Link Intime Pvt. Ltd., by following the below mentioned process:

- i. Facility for joining the AGM through VC/OAVM shall open 15 minutes before the time scheduled for the AGM and shall be kept open till the expiry of 15 minutes after the scheduled time on first-come-first basis.
- ii. Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis.
- iii. Members will be provided with Insta Meet facility wherein they shall register their details and attend the AGM as under:
  1. Open the internet browser and open the URL <https://instameet.linkintime.co.in>
  2. Select the "Company" and "Event date" and register with your following details:

**A. Demat Account No.** or Folio No: Enter your 16 digit Demat Account No. or Folio No.

- a) Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
- b) Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
- c) Members holding shares in physical form shall provide Folio Number registered with the Company

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.



## NOTICE (contd.)

- C. Mobile No.:** Enter your mobile number.
  - D. Email ID:** Enter your email id, as recorded with your DP/Company/RTA.
3. Click "Go to Meeting": You are now registered for InstaMeet and your attendance is marked for the meeting.
- (Note: Members are encouraged to join the Meeting through Tablets/Laptops connected through broadband for better experience. Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting)
- iv. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
  - v. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
  - vi. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

### 18. Instructions for Members to Vote during the AGM:

- a) Only those Members, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
- b) If any Votes are cast by the Members through the e-voting available during the AGM and if the same Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members attending the meeting.
- c) Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Once the electronic voting is activated by the scrutinizer/ moderator during the AGM, the Members who have not exercised their vote through the remote e-voting can cast the vote as under:

- i. On the Members VC page, click on the link for e-Voting "Cast your vote"
- ii. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on "Submit".
- iii. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

### 19. Instructions for Members to Speak during the AGM:

- i. Members who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request on or before 20<sup>th</sup> June 2024, mentioning their name, demat account number/folio number, e-mail ID, mobile number, questions to ask, if any, at: [complianceofficer@concordbiotech.com](mailto:complianceofficer@concordbiotech.com)
- ii. Only those Members who have registered themselves as a speaker will be allowed to express their views/ ask questions during the meeting.
- iii. Members will receive "speaking serial number" once they mark attendance for the meeting.
- iv. Members are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.
- v. Please remember your speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.
- vi. Please note that the Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

The Members who do not wish to speak during the AGM but have queries may send their queries in advance on or before 20<sup>th</sup> June, 2024 mentioning their name, demat account number/folio number, e-mail ID, mobile number at: [complianceofficer@concordbiotech.com](mailto:complianceofficer@concordbiotech.com). These queries will be replied to by the Company suitably by e-mail.

## NOTICE (contd.)

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance.

Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>

In case shareholders/members have any queries regarding login, they may send an e-mail to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

### 20. Instructions for Income Tax compliances with respect to dividend:

- i. The Finance Act, 2020 has abolished dividend distribution tax (DDT). Accordingly, effective from 1<sup>st</sup> April, 2020, dividend income will be taxable in the hands of shareholders. Hence the Company is required to deduct tax at source ("TDS") from the amount of dividend paid to shareholders at the prescribed rates. The detailed TDS rates and required documents for claiming non-deduction/ lower deduction of TDS are uploaded in the website of the company at: [www.concordbiotech.com](http://www.concordbiotech.com)
- ii. To avail the benefit of non-deduction/lower deduction of TDS kindly submit the required documents by email to on or before 20<sup>th</sup> June, 2024

Or

The forms/documents (duly completed and signed) for claiming tax exemption are required to be uploaded on the url: <https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html>

- On this page the user shall be prompted to select / share the required information therein to register their request.

- iii. The forms for tax exemption can be downloaded from Link Intime's website. The url for the same is: <https://liiplweb.linkintime.co.in/client-downloads.html>

- On this page select the General tab. All the forms are available under the head "Form 15G/15H/10F"

- iv. The upload of forms/documents (duly completed and signed) on the above mentioned URL of Link Intime India Private Ltd should be done on or before 20<sup>th</sup> June, 2024 to enable the Company to determine and deduct appropriate TDS / Withholding Tax.
- v. Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination/ deduction shall be considered after 20<sup>th</sup> June, 2024.
- vi. In terms of the MCA and SEBI circular, in case the Company is unable to pay the dividend to any share holder by electronic mode due to non-availability of the details of their bank account, the Company will dispatch the Dividend Warrants/ Demand Drafts to such share holders by post.
- vii. All communications/ queries in this respect should be addressed to our RTA, Link Intime India Private Limited to: [concorddivtax@linkintime.co.in](mailto:concorddivtax@linkintime.co.in)

### Other Instructions:

1. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting as well as e-voting during the AGM and make, not later than two working days from conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.concordbiotech.com](http://www.concordbiotech.com) and on the website of Link Intime India Private Limited <https://instavote.linkintime.co.in/> immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

**NOTICE (contd.)**
**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**
**ITEM NO. 4**

M/s. Deloitte Haskins and Sells, Chartered Accountants having Firm's Registration No. 117365W, were appointed as the Statutory Auditors of the Company at the 35<sup>th</sup> AGM of the Company and their tenure of two consecutive terms will expire at the ensuing AGM of the Company scheduled on 29<sup>th</sup> June, 2024. Accordingly, approval of the Shareholders is being sought for appointment of M/s BSR & Co. LLP, Chartered Accountants, having Firm's Registration No. 101248/W/W-100022 as the Statutory Auditors of the Company for the first term of 5 consecutive years commencing from conclusion of ensuing 39<sup>th</sup> Annual General Meeting for the financial year 2024-25 till the conclusion of the 44<sup>th</sup> Annual General Meeting for the financial year 2028-29.

M/s BSR & Co. LLP, Chartered Accountants, having Firm's Registration No. 101248/W/W-100022 have given their consent for their appointment as Statutory Auditors of the Company and has issued certificate confirming that their appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 ('the Act') and the rules made thereunder. M/s. BSR & Co., LLP, have confirmed that they are eligible for the proposed appointment under the Act, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. BSR & Co., LLP, have confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company has, based on the recommendation of the Audit Committee, at its meeting held on 23.05.2024 proposed the appointment of M/s. BSR & Co., LLP, Chartered Accountants having Firm's Registration No. 101248/W/W-100022, as the Statutory Auditors of the Company for the first term of five consecutive years, who shall hold office from the conclusion of this 39<sup>th</sup> AGM till the conclusion of the 44<sup>th</sup> AGM of the Company. The remuneration proposed to be paid to the Statutory Auditors during their first term would be in line with the industry norms and shall be commensurate with the services to be rendered by them during the said tenure. The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

The Board recommends the resolution set out at Item No. 4 of the Notice for approval by the Members by way of an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in the resolution.

**DISCLOSURE UNDER REGULATION 36(5) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

Proposed Statutory Audit Fees payable to the Statutory Auditors	INR 25 Lakhs for FY 24-25, INR 28 Lakhs for FY 25-26, 10% increase every year till end of the tenure.
Terms of Appointment	5 years
Any material change in the fee payable to New Statutory Auditors from that paid to the outgoing Auditors along with the rationale for such change	NO
Basis of recommendation and Auditor Credentials	Market Credentials

**ITEM NO.5**

The Board of Directors at its meeting held on 23<sup>rd</sup> May, 2024, has appointed M/s. Dalwadi & Associates, Cost Accountants, as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending on 31<sup>st</sup> March, 2025, at a remuneration amounting to INR 4,60,000 (Rupees four lakhs sixty thousand only) plus applicable Goods and Service Tax, p.a. and reimbursement of all reasonable out of pocket expenses incurred, if any. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor shall be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for approving the Ordinary Resolution as set out in Item No. 5 for ratification by the shareholders at the ensuing Annual General Meeting of the Company.

None of the Directors, Key Managerial Personnel, relatives of Directors and Key Managerial Personnel of the Company is directly/ indirectly interested in the above resolution. The Board of Directors recommend the resolution for your approval.

By **Order of the Board**

Place: Ahmedabad  
Date: 23<sup>rd</sup> May, 2024

**(SUDHIR VAID)**  
DIN: 00055967  
Chairman & Managing Director

## ANNEXURE-1

In terms of Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs certain disclosures are required with respect to Directors seeking appointment/re-appointment at the ensuing Annual General Meeting which is mentioned below:

Name of Director	Mr. Ravi Kapoor
DIN	00003847
Date of Birth	25/07/1963
Age of Director	61
Date of First Appointment/Re-appointment	15/12/2003
Qualification	M.Com; LLB, FCS, CAIIB, PGDIPR, AMIMA
Experience	35 Years
Nature of Expertise in specific functional area	Insolvency and Bankruptcy Code, Corporate Law, SEBI, FEMA and Stamp Act.
Terms and Conditions of Appointment	N.A.
Remuneration sought to be paid	Nil
Remuneration last drawn by such person (including Sitting Fees)	4,00,000/-
Designation	Director
Disclosure of relationship between Directors Inter-se	Nil
Disclosure of relationship of Directors with Manager and KMP of the Company	Nil
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	As per Annexure-A
Names of listed entities from which the person has resigned in the past three years	As per Annexure-C
Names of other Companies in which person holds Directorship	As per Annexure-A
Names of membership and Chairman of the committees of the other Companies	As per Annexure-B
Number of shares held in the Company	220000
No. of Board Meetings attended during the year	4

By **Order of the Board**

Place: Ahmedabad  
Date: 23<sup>rd</sup> May, 2024

**(SUDHIR VAID)**  
DIN: 00055967  
Chairman & Managing Director

**ANNEXURE-1 (contd.)****ANNEXURE – A****Names of other Companies in which Mr. Ravi Kapoor holds Directorship:**

1. Adani Green Energy (UP) Limited
2. Wardha Solar (Maharashtra) Private Limited
3. Kodangal Solar Parks Private Limited
4. Spinel Energy & Infrastructure Limited
5. Sadbhav Hybrid Annuity Projects Limited
6. Sanghi Industries Limited
7. Coroney Technologies Private Limited
8. Surajkiran Renewable Resources Private Limited
9. Marine Infrastructure Developer Private Limited

**ANNEXURE – B****Names of membership and Chairman of the committees of the other Companies**

- |  |                          |
|--|--------------------------|
| 1. Adani Green Energy (UP) Limited                 | - Audit Committee Member |
| 2. Wardha Solar (Maharashtra) Private Limited      | - Audit Committee Member |
| 3. Kodangal Solar Parks Private Limited            | - Audit Committee Member |
| 4. Spinel Energy & Infrastructure Limited          | - Audit Committee Member |
| 5. Surajkiran Renewable Resources Private Limited  | - Audit Committee Member |
| 6. Marine Infrastructure Developer Private Limited | - Audit Committee Member |

**ANNEXURE – C****Names of listed entities from which the person has resigned in the past three years**

NIL

Place: Ahmedabad  
Date: 23<sup>rd</sup> May, 2024

By **Order of the Board**

**(SUDHIR VAID)**  
DIN: 00055967  
Chairman & Managing Director