

**Eris**

POWER OF EMPATHY  
TRUTH OF SCIENCE

**15<sup>th</sup>**

# ANNUAL REPORT

2020-21







## **FORWARD-LOOKING STATEMENTS**

This report may contain some statements on the Company's business or financials which may be construed as forward-looking based on the management's plans and assumptions. The actual results may be materially different from these forward-looking statements although we believe we have been prudent in our assumptions.

# TABLE OF CONTENTS

Corporate  
Overview  
**06-44**

06	●	In Memoriam
07	●	Covid Response
09	●	Patient Care Initiatives
10	●	The Year of Digital
11	●	India Diabetes Study
12	●	CMD's Letter to Shareholders
14	●	From the COO's desk
16	●	From the CFO's desk
18	●	Eris at a Glance – Who We Are
20	●	10 Year Financial Highlights
21	●	Our Business
22	●	Our Top Mother Brands
24	●	Our Prescription Rankings
25	●	Our Strategic Business Units
26	●	Our Therapy Areas
32	●	Circa – World-class Medical Devices
33	●	Our IT Platform
34	●	Our People
36	●	Our Distribution Network
38	●	Our Manufacturing Infrastructure
40	●	Environment, Safety and Social Responsibility
42	●	Awards and Accolades
43	●	Strategic Growth Drivers
44	●	Our Investors

Statutory  
Reports  
**45-127**

46



Management Discussion & Analysis

68



Directors' Report

97



Corporate Governance Report

Financial  
Statements  
**128-236**

128



Standalone Financial Statements

182



Consolidated Financial Statements

Op. Revenue (INR)

**12,119 mn**

12.8 % yoy growth

EBITDA (INR)

**4,306 mn**

16.9 % yoy growth

PAT (INR)

**3,551 mn**

19.8 % yoy growth

EPS (INR)

**26.16**

21.0 % yoy growth

RoIC\*

**33.5 %**

371 bps yoy growth

RoE\*

**30.7 %**

43 bps yoy growth

\* RoIC and RoE are excluding treasury investments, cash & cash equivalents

# IN MEMORIAM

## You Live in Our Hearts Forever

The second wave of Covid has hit the nation with devastating consequences. It is difficult to find even a single family which has not been adversely impacted by the pandemic. With profound regret we share with you the loss of 6 Erisians – who were all brave warriors, inspiring colleagues and loving family men.



**Hemant Bhalla**



**Sandeep Tiwari**



**Jignesh Sarvaiya**



**Sirajuddin**



**Dipak Sharma**



**Somnath Bhattachariya**

These Erisians have been sources of inspiration and positive energy for those who have interacted or worked with them. They demonstrated the Eris values of patient centricity, integrity and tenacity on a daily basis through their actions. They have left behind a treasure trove of memories to cherish, honour and remember them by. In this tragic moment of grief, all of us at Eris stand together with their families. The loss caused by their sudden demise is irreplaceable and their memories shall stay with us forever.

We extend our heartfelt condolences to all those who have lost loved ones during this difficult time.

# COVID RESPONSE

## Keeping our Employees and Stakeholders Safe

Eris has always set high safety benchmarks for its employees. However given the unprecedented scenario that unfolded with the onset of the Covid pandemic in late March 2020, we realised that we needed to go well beyond the usual benchmarks in order to ensure the safety and wellness of our employees and their families, medical professionals, our channel partners and all other stakeholders, while ensuring business continuity.

As the first step, we secured Covid insurance policies for all our employees in order to provide them with a safety net against potential economic consequences; we were among the first in the industry to have taken this initiative. We arranged for authorisation letters and safe travel options for those employees who wished to travel back to their native places during the national lockdown. Even while the nation was in lockdown mode, many of our people needed to venture out in order to ensure the uninterrupted manufacture and supply of essential chronic medications to patients. We ensured that adequate arrangements were made for the safety of these employees, including transportation, PPE kits, masks and sanitisers.

We organised adequate testing facilities for our employees and their family members. In order to ensure the safety of the families of Covid-positive employees, we reserved rooms in selected hotels as quarantine facilities for employees and organized the provision of required medical support in such facilities. We also established tie-ups with reputed doctors to

provide teleconsultation facilities for our employees. As our Guwahati facility continued its operations in order to support the nation with a supply of essential medicines, we implemented rigorous protocols with regards to social distancing and a phased return-to-work policy. We conduct periodic Covid tests at our office locations. We have continued with several of our employee-care initiatives post the gradual reopening of the economy starting June 2020. Taking our responsibility of protecting our employees further, we organised vaccination camps for all eligible employees at our offices.

**ERIS was among the first companies in the industry to secure Covid insurance policies covering all its employees.**

**Eris was also among the first companies in the industry to organise vaccination drives for all eligible employees at its offices.**



When the nation was experiencing an acute dearth of oxygen, hospital beds and life-saving drugs to battle the infection, Eris did its bit to alleviate the suffering of frontline warriors as well as Erisians and their loved ones; among other medical supplies, we procured and dispatched ~ 300 oxygen concentrators

## Caring for the Well-Being of Healthcare Professionals

During Apr-Jun 2020, we enlisted the support of CFAs and field employees to ensure the safety and wellness of healthcare professionals who are our true Covid warriors. We distributed Personal Protective Equipment (PPE) and covid care kits for healthcare professionals across the length and breadth of the country. We went the extra mile to import PPEs for doctors in the initial days of the pandemic, since adequate supply was not available from Indian sources.

In times of minimal available information regarding the medical management of Covid, Eris organized numerous webinars on a massive scale wherein KOLs across the country educated physicians on the novel coronavirus and shared knowledge about its treatment. These webinars played an important role in shaping the treatment protocols as they exist today.





# PATIENT CARE INITIATIVES

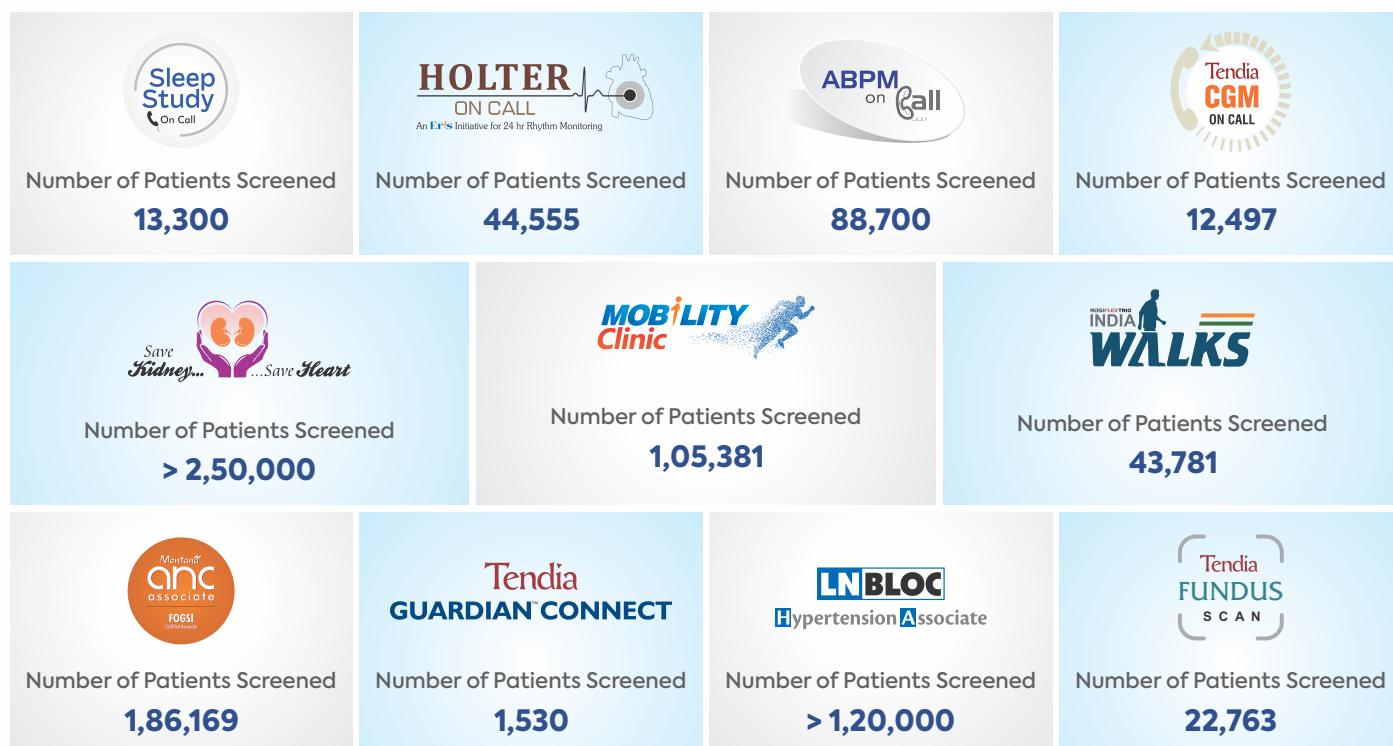
## Empowering Patients to Take Charge of Their Lives

Over the years, urbanization and digitisation have brought us tremendous benefits. They have also created their own challenges in terms of higher stress, poor quality sleep, gadget addiction, and blurring of boundaries between work and non-work hours. While the impact of these changes may not be evident in the short term, they inevitably take their toll on our physical and mental well-being in the long term.

We at Eris are very passionate about our Patient Care Initiatives (PCI) platform, which enables us to bring cutting-edge healthcare solutions to patients through the involvement and cooperation of Key Opinion Leaders in our specialty businesses. Our initiatives are focused on bringing state-of-the-art diagnostic

facilities and subsequent treatment options to our patients. What began as a small initiative has turned into a mammoth programme over the years whereby we have helped tens of thousands of patients towards healthier lives through initiatives such as the ABPM, HBPM, CGM, Sleep Studies, and Holter on Call.

Even during the pandemic year that was, we took our Patient Care programme to newer highs in terms of screening tens of thousands of patients with the involvement of thousands of medical practitioners during the year. After a brief hiatus in Apr-May 2020, our field staff conducted over 540 ABPMs and ~450 Holter tests in June 2020, overcoming their own fears and keeping patient needs at the forefront.



# THE YEAR OF DIGITAL

## Spearheading the Digital Dissemination of Scientific Knowledge

As a prominent stakeholder in the enhancement of scientific knowledge, Eris conducted ~2,500 digital interactions (webinars) in FY21 covering over 33,000 medical practitioners. We made a seamless transition to deliver these knowledge interactions through digital media in the pandemic times. While one set of meetings provided a forum for the deliberation of scientific evidence and disease management options among Key Opinion Leaders, another set of meetings were organised in the form of mentorship programs wherein Key Opinion Leaders disseminate the latest medical and scientific knowledge throughout the medical fraternity.

In FY21, bulk of our discussions continued to be focused around our core cardio-metabolic franchise. We also organised discussions around the impact of Covid on heart health and metabolic disease, Epilepsy Management, Iron Deficiency, Gastroenterology and overall Immunity Development.

We have always invested ahead of the curve in building digital capabilities at Eris – be it for our in-clinic product detailing which is executed via iPads, our e-Aagman program for new employees or cloud-computing of the data collected during the course of the India Heart Study and India Diabetes Study. As pandemic related disruptions started impacting in-clinic interactions with physicians, our interactions

seamlessly moved to a digital platform. While the scientific importance of the ~2,500 interactions remains paramount, we take immense pride in having been able to conduct them seamlessly on digital platforms, adapting quickly to the demands of the situation.

TOPICS OF DISCUSSION	# DIGITAL MEETINGS	# ATTENDEES
Dapagliflozin and Diabetes Care	676	7,064
Dapagliflozin and Heart Failure	115	9,344
Vildagliptin and Glycemic Variability	255	3,084
Immuno-Metabolism- the new paradigm in metabolic practice	157	1,297
Brivaracetam and Epilepsy management	48	695
Unmet needs in Iron Deficiency (Anaemia)	320	2,499
The Big Clinical Challenge – Building Immunity	102	1,937
Covid 19 and Gastroenterology	225	2,200



# INDIA DIABETES STUDY



The First of its Kind Study for Newly Detected Indian Diabetics

## OBJECTIVE

Assessment of Phenotypic Characteristics and Cardiovascular Risk in Newly Diagnosed Type 2 Diabetic Patients in India.

Started on  
**July 2020**

**> 2500**  
Investigators

SAMPLE  
SIZE  
**14,000+**

**> 15000**  
Patients Enrolled

**25** States  
**> 400** Cities

IDS is one of the largest ongoing studies for newly diagnosed Indian diabetic patients. The study will help the medical fraternity to develop a treatment regimen suited for Indian diabetic patients. IDS would help in customization of treatment protocols and thereby improve health outcomes in the long term.

## CMD's LETTER to Shareholders

Dear Shareholders,

One more year has gone by, and I am glad for the opportunity to write to you again. It continues to be a matter of great concern that the world, and India in particular, continues to experience the devastating effects of the Covid pandemic, which has destroyed lives and livelihoods. At Eris, this period has made us a lot more conscious of our role as enablers of better healthcare for the country. Accordingly, we have taken numerous measures to ensure the safety and wellness of all our stakeholders, including our employees, medical professionals, channel partners and society at large.

FY21 has been a game changer for us during which we have registered robust improvement across all business and financial metrics. In my last letter to you, I had shared that we have reorganised our business around our core therapy franchises. I had also spoken about our 4 fundamental business pillars that have kept us resilient through difficult times – leadership brands in chronic super-specialty, a strong cashflow generating business model, a debt-free balance sheet, and our consistent focus on operational excellence. I am glad to report that we were able to harness the power of these pillars to successfully navigate what has been one of the most challenging environments ever.

During the year, we have invested in strengthening our executive management team and our corporate governance. We now have an



8-member Board with 4 Executive and 4 Independent Directors. We inducted two Independent Directors - Ms Kalpana Unadkat and Mr Rajeev Dalal - during the year. Mr Krishnakumar V joined our executive team and Board as Chief Operating Officer and Executive Director.

The Indian Pharma market (ex. Covid products) grew at a meagre 1.3% during FY21, driven by a significant degrowth in acute therapies. However this did not impact us significantly as a bulk of our revenues come from chronic and sub-chronic therapies, and we ended the year among the fastest growing companies in the domestic market. Our strategic focus remains on brand building backed by scientific evidence and patient care. That our Top-15 mother brands account for nearly 80% of our sales bears testimony to our business approach. As part of our continuous effort to fortify our chronic and sub-chronic portfolios, we had 3 significant new product launches this year. Gluxit, our Dapagliflozin brand was launched in Oct 2020 and remains the #1 brand in the segment since launch. We also launched Zac D, a fast-growing product in the nutraceutical segment.

The business continued to generate strong cash flows despite the numerous disruptions caused by the pandemic. We enhanced our focus on operational excellence which enabled us to reduce our working capital requirements in the midst of challenging times. I need to make a special mention of our field-force, which has put up an inspired and resilient performance in the face of extremely difficult circumstances; our field-force productivity improved by 15% during the year. Our manufacturing and distribution teams have done a commendable job in ensuring business continuity during this period.

We have an exciting period of organic growth coming up in the next 3-4 years, driven by multiple factors. Firstly, we have a rich pipeline of new product launches, driven by upcoming patent expirations in the cardio metabolic and allied segments. Secondly, we will significantly expand our coverage of specialists and consulting physicians. Thirdly, we continue to push for early detection and better lifecycle management through our patient care initiatives. We are making investments in technology in order to further improve our sales productivity. We continue to look for high-return in-licensing and acquisition opportunities, in order to complement our organic growth initiatives.

We also remain committed to our capital allocation framework. This framework is focussed on increasing shareholder value through investing for the future. This year we distributed 21.0% of our Net Profit to shareholders. Going forward, we will endeavour to share a minimum 20% of our Net Profit with shareholders on a yearly basis.

I would like to reiterate my gratitude to all our stakeholders for having supported us in our journey. I look forward to all of you being part of the exciting journey ahead. I hope and pray that all of you and your loved ones remain safe and healthy.

With warm regards,

**Amit Bakshi**

Chairman and Managing Director

## FROM THE COO'S DESK

Dear Shareholders,

I am happy to write my first letter to you as the Chief Operating Officer and an Executive Director of Eris. I have been associated with Eris as a consultant since its formative years. Back then, Eris was a young company trying to make its mark in an extremely competitive and pro-incumbent industry, by taking the road less travelled. While most new entrants elect to start off with regional business models in acute therapies pivoted around local general physicians, Eris chose to build a pan-India cardio-metabolic business pivoted around super-specialists. The team's experience enabled them to execute successfully along this strategy, and secure the distinction of Eris being the youngest company in the IPM Top-25.

Eris is now ranked 22<sup>nd</sup> in the domestic pharmaceutical industry and is the only publicly listed Indian pharmaceutical company with a pure-play domestic branded formulations business model. Revenues have grown 6x in the last 10 years (since FY11) and 2x in the last 5 years (since FY16). Net profits have grown ~ 17x in the last 10 years and 2.6x in the last 5 years. The company has maintained an ROIC in excess of ~ 30% over the last 12 years. Fourteen years into the business, the company retains its fundamental strengths in terms of a chronic-focused portfolio (91% of sales) with low (7%) NLEM exposure, high mind-share and prescription ranks with super-specialists (#3 among Diabetologists and #4 among Cardiologists), strong cash generation (free cashflow of 81% of FY21 EBIDTA) and a debt-free balance sheet. Eris has a pan-India, fully-integrated operation with 74% of the products sold having been manufactured at our Guwahati facility.



Our relentless focus on building strong and sustainable brands gave us significant tailwinds during the pandemic period, when MR-Doctor interactions and Doctor-Patient interactions were severely constrained. Prescriber preference gravitated towards established brands during this period; this augured well for us with 10 of our Top 15 mother brands being ranked among the Top-5 in their respective categories. Our market standing in Diabetes positions us well to take the lead in the management of post-Covid early-onset Diabetes (unmasking of Diabetes); Zomelis and Gluxit are highly strategic products for us in this regard.

After a gap of several years during which we faced several headwinds including GST implementation, tightening of FDC regulations, channel inventory reduction and demonetisation, FY21 was a game changer for us with successful product launches in nearly all of our core therapies. This has kick-started the next leg of secular growth which, we expect, will continue well into the future. We have an exciting pipeline of patent expirations coming up in the cardio-metabolic space over the next 3-4 years. We expect our strong incumbent positions in these therapies to drive meaningful market shares for us in our new launches. We are seeing early evidence of this in the success of our Gluxit (Dapagliflozin) brand launched in Oct 2020. As of March 2021, our brand ranks #1 among 30+ generic brands, with a monthly sales run rate of Rs 2.50 crore and an exit market share of 5.5% by value in the molecule (13.8% among generics).  
*(Source: AIOCDAWACS)*

We continue to create value from our acquisitions. Zomelis, a Vildagliptin brand we acquired in Nov 2019 has registered more than a 4x growth in monthly sales run-rate since acquisition and continues to rank #1 among the 80+ generic versions of Vildagliptin, with a market share of 4.5% in the molecule (11% among Gx). Renerve, our flagship nutraceutical brand acquired from Strides in Nov 2017 has grown from INR 77 crore (Nov 2017) to INR 134 crore (Mar 2021), a CAGR of ~ 18% since acquisition, after

absorbing a 7% reduction on account of GST implementation. *(Source: AIOCDAWACS)*

We are expanding our footprint in medical devices through our Circa range, presently comprising of blood pressure monitors, IR thermometers and India's first blood glucose monitors with patented gold cartridge technologies. Our Trade Generics business continues to scale up in line with our expectations.

My role is to prepare Eris for the next leg of growth by strengthening our organisational foundation and business operations. To this end, we are working on a number of organisational development initiatives, including strengthening our senior/middle management cadre, adoption of best-in-class performance management systems and introduction of ESOPs for key management personnel. We are strengthening our processes for long-term strategic planning, annual business planning, business performance reviews, financial management and risk management. We are making significant investments in technology for a seamless transition to the Work-from-Anywhere era. We have just finished implementing an analytics-based software package that lays the foundation for our journey in operational excellence. We have initiated the implementation of DarwinBox, a best-in-class HR Management System that improves employee engagement and productivity. You will hear from me periodically on the progress of these initiatives.

I am excited about this opportunity to work with the Eris team to drive the next era of growth. I look forward to the support and guidance of our Board and my colleagues as I move forward in this endeavour.

With best regards,

**Krishnakumar V.**

Executive Director &  
Chief Operating Officer



## FROM THE CFO'S DESK

### Dear Shareholders,

Greetings! It is my privilege to share the highlights of a successful year gone by. At a consolidated level in FY21, we delivered a revenue growth of 12.8%, operating margin growth of 16.9% and net profit growth of 19.8%. At a standalone level, we delivered a revenue growth of 8.7%, operating margin growth of 17.4% and net profit growth of 20.4%.

As per AIOCD, our cardio metabolic segment (59% of our revenue), grew 9.7% in FY21, marginally outperforming its covered market which grew by 9.4%. Our Vitamins, Minerals and Nutrients segment (20% of our revenue) grew by 14.8% in comparison with the covered market which grew by 8.6%. Our Top-15 mother brands, which contribute nearly 80% of our revenue grew by 8.9% during the year. 7 out of these 15 brands outperformed their covered markets and gained market shares.

Our new product launches acquired strong momentum in FY21. As may be expected, these new products, until they ramp up to a reasonable scale, bring with them an increased cost of goods sold. Owing to the higher incidence of new products in our revenue mix, our consolidated gross margin decreased from 84.0% in FY20 to 80.3% in FY21. The standalone gross margin decreased from 83.9% in FY20 to 82.1% in FY21. We expect the gross margins of new products to ramp up starting next quarter as the products scale up and we start realising volume benefits in procurement and manufacturing.

Our employee cost as a ratio of operating revenues remained in line with the previous year



as we continue to reap benefits of people investments made in earlier years. We realised substantial productivity gains in our standalone operations (branded formulations business) as the YPM (Yield per Man per Month) for FY21 increased by ~ 15% to INR 4.5 lakh per month, up from INR 3.9 lakh per month in FY20.

Standalone other expenses as a percentage of revenue witnessed a reduction of 445 bps during the year on account of higher field-force productivity and the shift of promotional activities to digital platforms. We also witnessed a reduction in our consolidated other expenses (as a percentage of revenue).

As a result of the said factors, the standalone EBIDTA margin increased to 37.6% in FY21 from 34.9% in FY20 and the consolidated EBIDTA margin increased to 35.5% in FY21 from 34.3% in FY20. We continue to remain among the highest cash-flow generating businesses in our industry. Operating cashflow (OCF) to EBITDA ratio in FY21 stood at 87%, and Free Cashflow (FCF) to EBIDTA ratio stood at 81%. We continue to remain a debt-free company.

Our effective tax rate declined slightly to 10.0% in FY21 from 10.5% in FY20 as we continue to enjoy tax exemption at our Guwahati manufacturing facility which catered to 74% of our standalone revenue. Consolidated Profit after Tax for the year at INR 3,551.4 mn saw a 19.8% yoy growth and standalone Profit after Tax for the year at INR 3,506.1 mn saw a 20.4% growth.

On the balance sheet side, I am pleased to share that we managed to tighten our working capital management despite all the pandemic-related headwinds. Our core working capital (inventory, debtors and payables) in the standalone business decreased to 30 days of operating revenue in FY 21 from 42 days of operating revenue in FY 20. We reduced our Debtor turnover days in the standalone operations from 50 days of operating revenue in FY20 down to 37 days of operating

revenue in FY21, beating our guidance. We continue to make efforts to optimise our working capital requirements as we move forward.

Optimal use of invested capital and expansion of operating margins meant that we continued to earn high returns for our shareholders. Return on Invested Capital (ROIC) in the standalone operations went up to 41.2% in FY21 from 37.4% in FY20. The consolidated ROIC increased to 33.5% in FY21 from 29.8% in FY20. Consolidated Return on Equity (ex-cash) increased to 30.7% in FY21 from 30.3% in FY20.

In line with our capital allocation policy, we distributed INR 5.5 as dividend per share, corresponding to a pay-out ratio of 21% of Consolidated Profit after Tax for FY 21. We will endeavour to maintain a minimum 20% pay-out ratio in the future too.

FY21 has been a game changer for the company in terms of getting us on to the next leg of growth and we expect to maintain this momentum going forward. We look forward to executing along our five-pronged growth strategy of organic consolidation, new product launches, wider doctor reach, improved sales productivity and pursuit of inorganic opportunities. The execution of this strategy will be complemented by stronger systems for financial/risk management and global standards of operational excellence. We expect these factors to result in a strong growth trajectory with high returns and continued robust cashflows.

It has been my pleasure to have been part of this journey so far. I look forward to an exciting future ahead that promises to be a rewarding one for all our stakeholders.

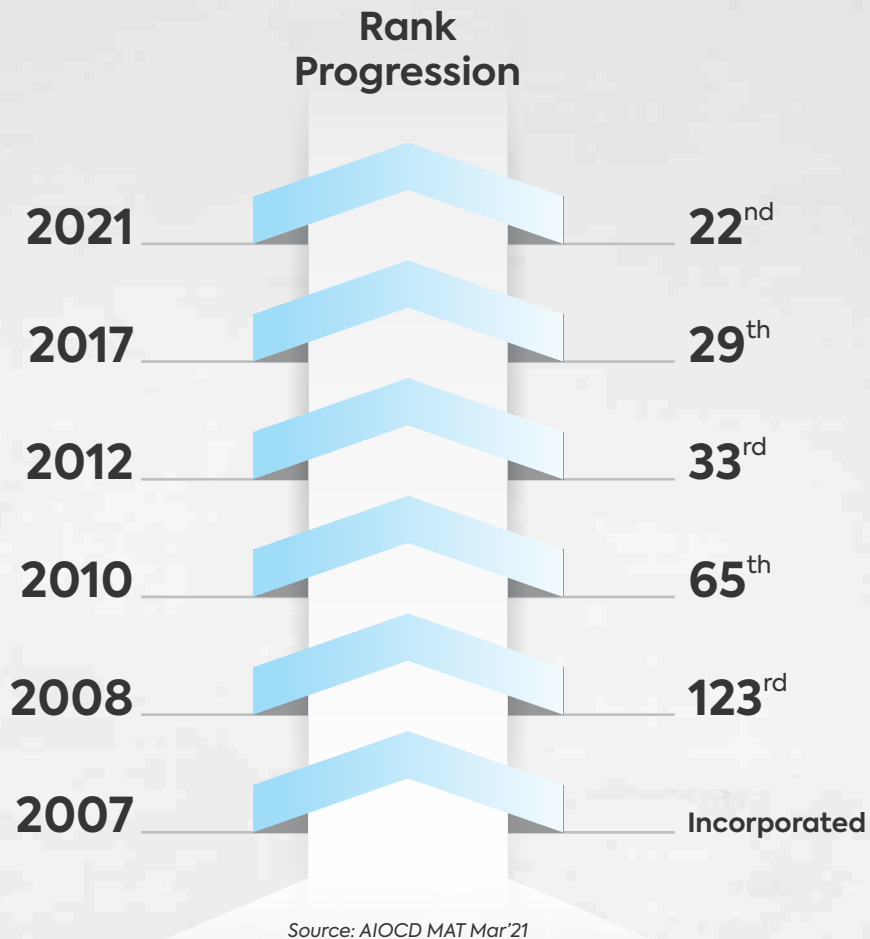
With warm regards,

**Sachin Shah**

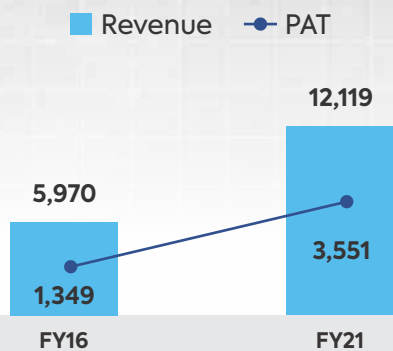
Chief Financial Officer

# ERIS AT A GLANCE

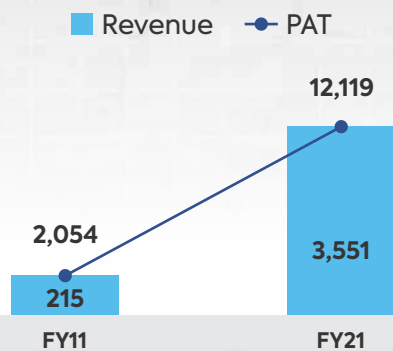
Who we are



Revenues up 2x and PAT up 2.6x in last 5 years



Revenues up 6x and PAT up 17x in last 10 years



Source: Consolidated Financial Statements  
All figures in INR mn

**Eris Lifesciences Ltd is the only publicly listed Indian pharmaceutical company with a pure-play domestic branded formulations business model. Established in 2007, Eris is by far the youngest company in the IPM Top-25.**

Our business ethos is based on two pillars – harnessing the power of cutting-edge science to bring evidence-based therapies to the market, and enabling patients to take charge of their diagnoses and their lives through our patient care initiatives. Since inception, we have been focused on chronic and sub chronic lifestyle related therapies. We are a fully-integrated pan-India business with a strong focus on high-end super-specialist doctors and consulting physicians.

We continue to pioneer the generation of actionable medical evidence through initiatives such as the India Heart Study (IHS) and India Diabetes Study (IDS); these studies are helping create bodies of knowledge hitherto unknown and are paving the way for better management of health and treatment outcomes. IHS, the only study of its kind on hypertension based on the Indian population has been jointly accepted by the European Society of Hypertension and the International Society of Hypertension.

We made a seamless transition to the digital era in FY21, with the conduction of ~2,500 digital interactions (webinars) in FY21 covering over 33,000 medical practitioners, across a range of topics including diabetes, heart failure, Covid impact on cardio-metabolic health, general immunity and epilepsy.

We are very passionate about our unique Patient Care Initiatives (PCI) platform, which enables us to bring cutting-edge healthcare solutions to patients through the involvement and cooperation of Key Opinion Leaders in our specialty businesses. Our initiatives are focused on bringing state-of-the-art diagnostic facilities and subsequent treatment options to patients. What started as a small initiative has turned into a mammoth

programme over the years whereby we have helped tens of thousands of patients towards healthier lives through initiatives such as the ABPM, HBPM, CGM, Sleep Studies, and Holter on Call.

We have a fully integrated business model with our WHO GMP compliant manufacturing facility in Guwahati catering to 74% of our revenue. Our pan-India distribution network of over 2,100 stockists and 5,00,000+ chemists gives us a seamless presence across the nation. Over 4000 employees work out of our corporate offices in Ahmedabad and Mumbai, the field and our Guwahati facility.

Revenues have grown 6x in the last 10 years (since FY11) and 2x in the last 5 years (since FY16). Net profits have grown ~ 17x in the last 10 years and 2.6x in the last 5 years. The company has maintained an ROIC in excess of ~ 30% over the last 12 years. Fourteen years into the business, the company retains its fundamental strengths in terms of a chronic-focused portfolio (91% of sales) with low (7%) NLEM exposure, high mind-share and prescription ranks with super-specialists (#3 among Diabetologists and #4 among Cardiologists), strong cash generation (free cashflow of 81% of FY21 EBIDTA) and a debt-free balance sheet.

FY21 has been a game changer for the company in terms of getting us on to the next leg of growth. We look forward to exciting years ahead where we would be able to create value for all our stakeholders and society at large.

# 10 YEAR FINANCIAL HIGHLIGHTS

CONSOLIDATED	Ind AS					Ind GAAP				
	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012
<b>Operating Results</b>										
Operating Revenue	12,119	10,741	9,822	8,556	7,495	5,970	5,456	5,088	3,931	2,739
Operating EBIDTA	4,306	3,684	3,449	3,220	2,691	1,715	1,215	989	859	585
Operating EBIDTA Margin	36%	34%	35%	38%	36%	29%	22%	19%	22%	21%
Net Profit	3,551	2,965	2,911	2,950	2,466	1,349	893	705	584	371
Net Profit Margin	29%	28%	30%	34%	33%	23%	16%	14%	15%	14%

Cash Flow Generation										
Operating Cash Flow (OCF)	3,754	2,712	2,230	2,346	2,002	1,315	901	896	380	301
OCF as a % of EBITDA	87%	74%	65%	73%	74%	77%	74%	91%	44%	51%

Assets Employed										
Tangible Assets	779	873	553	526	557	707	675	711	235	198
Intangible Assets	7,776	7,919	7,072	7,185	1,760	7	42	39	34	34
Core Working Capital	1,323	1,263	825	413	662	484	446	298	378	189
Treasury Investments	4,166	1,453	3,634	3,760	3,057	1,997	1,722	913	514	228
<b>Total</b>	<b>14,044</b>	<b>11,508</b>	<b>12,084</b>	<b>11,884</b>	<b>6,035</b>	<b>3,195</b>	<b>2,885</b>	<b>1,960</b>	<b>1,161</b>	<b>649</b>

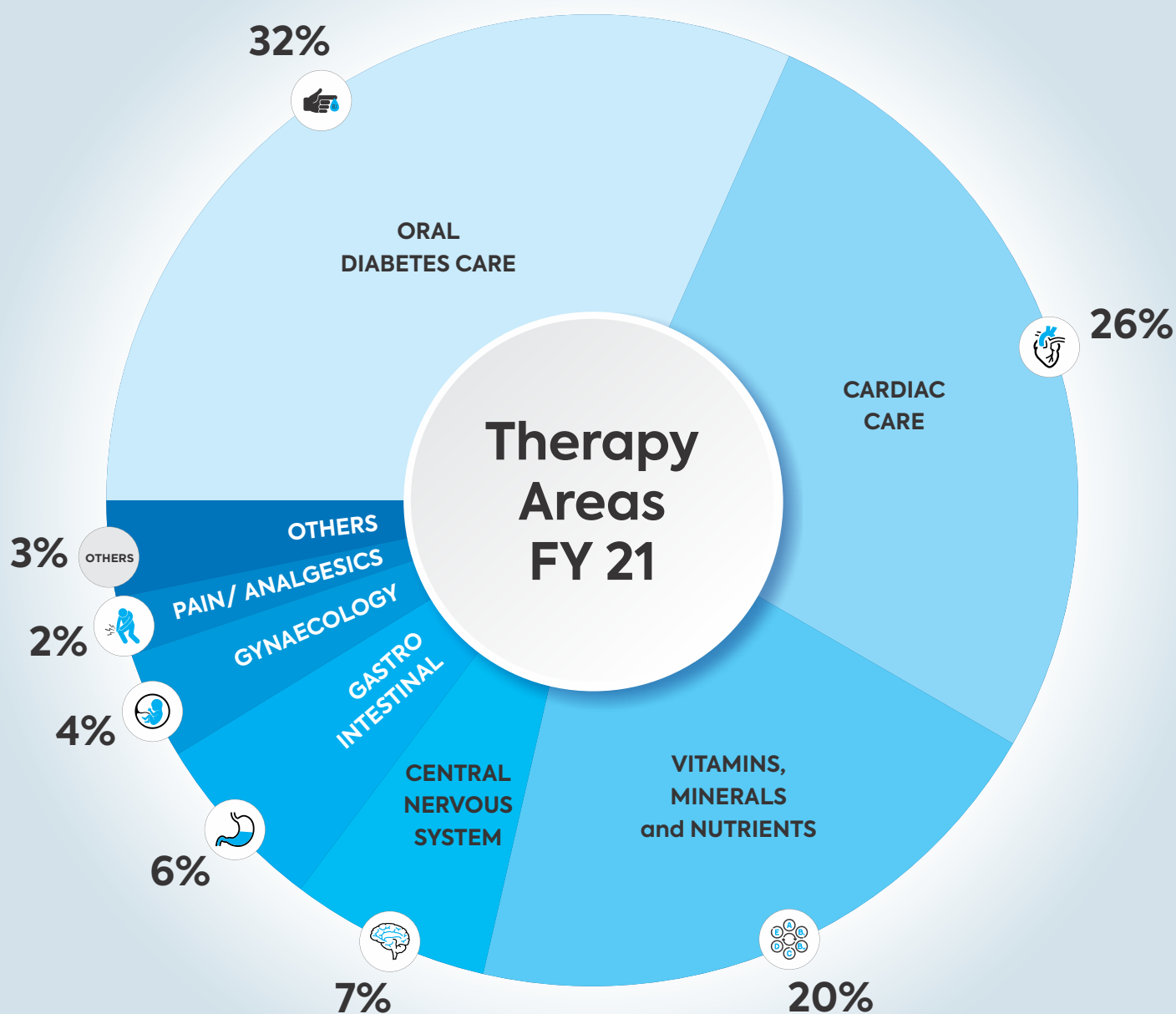
Financed By										
Equity	15,764	12,963	11,505	8,613	5,671	2,992	2,657	1,765	1,061	479
Debt	45	61	1,764	3,768	6	5	10	5	26	50

<b>Return on Invested Capital (RoIC)</b>	<b>34%</b>	<b>30%</b>	<b>39%</b>	<b>66%</b>	<b>127%</b>	<b>150%</b>	<b>113%</b>	<b>124%</b>	<b>175%</b>	<b>206%</b>
<b>Return on Equity (RoE)</b>	<b>31%</b>	<b>30%</b>	<b>44%</b>	<b>74%</b>	<b>126%</b>	<b>132%</b>	<b>95%</b>	<b>94%</b>	<b>129%</b>	<b>150%</b>

RoIC = Operating EBIT/Average Invested Capital (Ex-cash) | RoE = Net Profit attributable to owners/Average Net worth (Ex-cash) | Net worth (Ex-cash) = Net worth - (Treasury Investments + Cash and cash equivalents + other bank balances) | Invested Capital (Ex-cash) = Net worth (ex-cash) + Short-term Borrowings + Current maturities of long-term borrowings | Tangible assets include Right of use assets | Intangible assets include Intangible assets under development and goodwill

## OUR BUSINESS

Eris derives all of its standalone revenue from the domestic branded formulations market. Chronic and sub-chronic therapies make up 91% of our business (vs. 55% for the IPM).

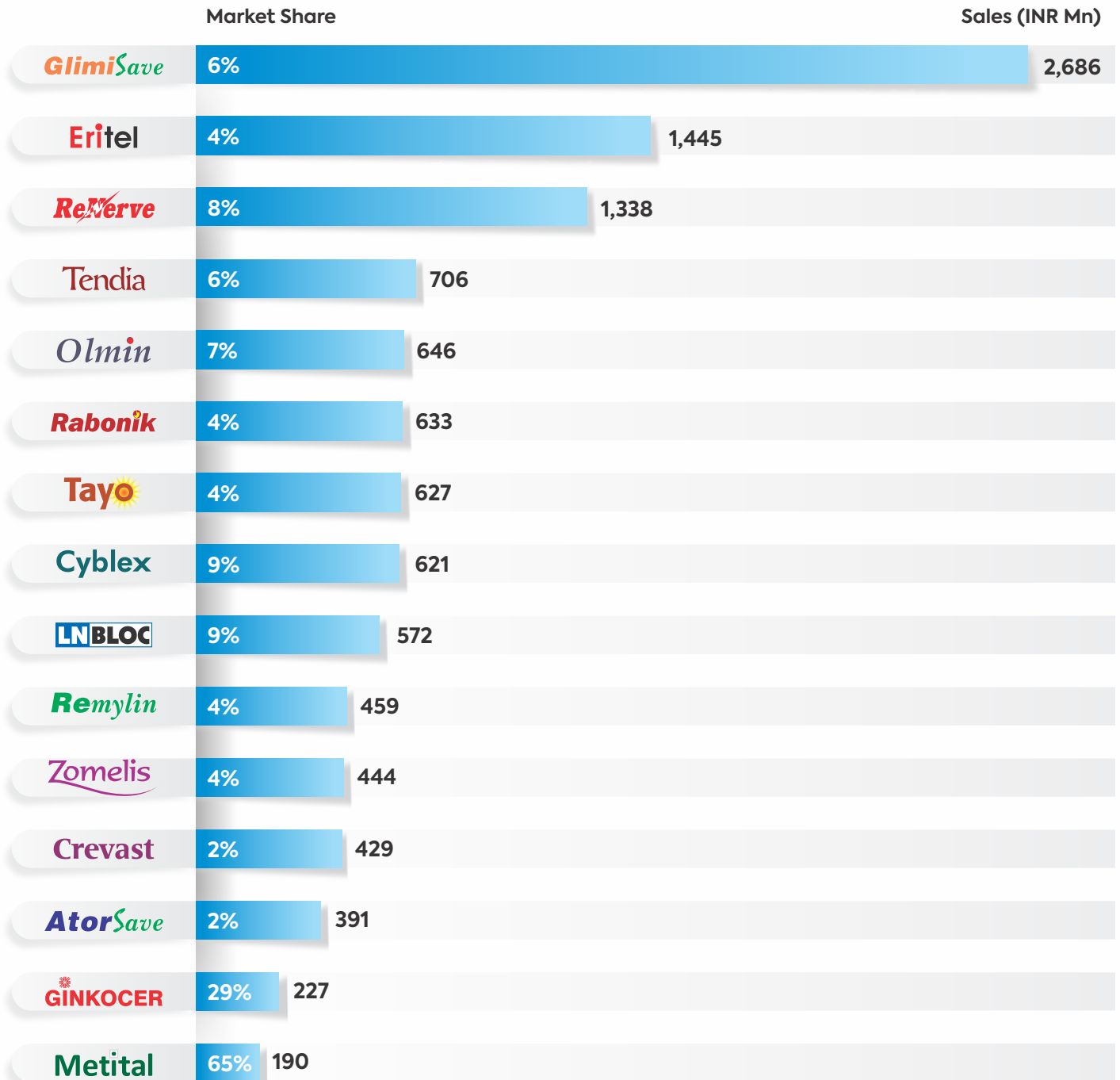


Source: AIOCD MAT Mar 21



## OUR TOP MOTHER BRANDS

We have a focused portfolio with  
Our Top 15 Mother Brands  
making up nearly 80% of our revenue.



Source: AIOCD MAT Mar 21

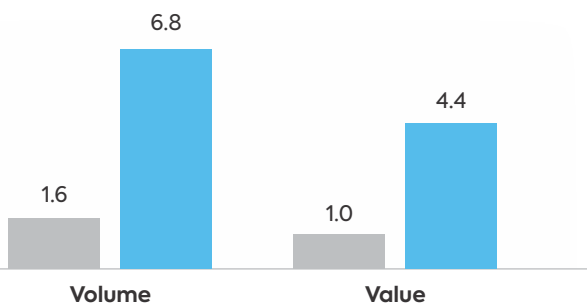


# Zomelis

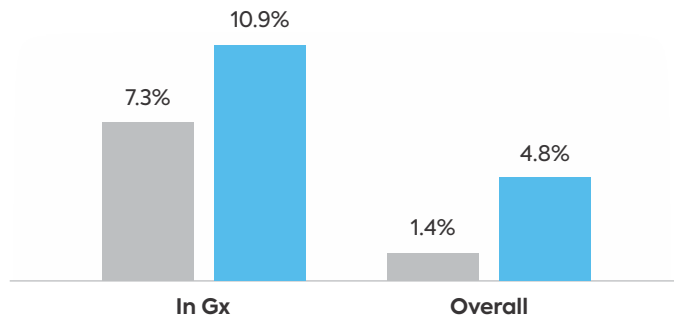
Market Leader with a 4.4x Growth in Monthly Sales Run-Rate since Acquisition

Zomelis has consistently ranked #1 among the 80+ generics brands of Vildagliptin; Rank #3 including innovator brands

Zomelis monthly sales run-rate



Zomelis market share (%)



■ Dec 2019 ■ Mar 2021

Sales volume in mn tablets, Sales value in INR Crore, Market share by value



# OUR PRESCRIPTION RANKINGS

Continued High Prescription Ranks  
Among Super-Specialists

**4<sup>TH</sup>**  
RANK



**CARDIOLOGISTS**

**3<sup>RD</sup>**  
RANK



**DIABETOLOGISTS**

**3<sup>RD</sup>**  
RANK



**GASTROENTEROLOGISTS**

**3<sup>RD</sup>**  
RANK



**NEUROLOGISTS**

**6<sup>TH</sup>**  
RANK



**CONSULTING PHYSICIANS**

Source: SMSRC MAT Feb 2021 | Prescription Rank in Represented Market

# OUR STRATEGIC BUSINESS UNITS

We have Focused Our Business Operations Around  
11 Divisions Organised into 4 Clusters/  
Strategic Business Units

**Eris**  
**Phoenix**  
A Division of Eris  
**ASPIRE**  
A Division of Eris

**Cluster 1**  
**Cardio Metabolic**

**Inspira**  
A division of ERIS  
**ADURA**  
A Division of ERIS  
**Victus**  
A Division of ERIS

**Cluster 2**  
**Cardio Metabolic**

**Eterna**  
**Altiza**  
A division of ERIS

**Cluster 3**  
**CNS**

**Filix**  
A Division of ERIS  
**Nikkos**  
A Division of ERIS  
**Montana**  
A Division of ERIS

**Cluster 4**  
**Wellness**

# OUR THERAPY AREAS



## Oral Diabetes Care

Oral Diabetes Care is our largest therapy area, contributing INR 4,701 mn or 32% of our business. Over FY 11 to FY 21, our Oral Diabetes Care franchise has grown 1.5x faster than the market at a CAGR of 31%.

With a long-standing and established presence in Oral Diabetes Care, Eris continues to fortify its high ranking in terms of revenue rank of #5<sup>^</sup> and prescription rank of #3 among Diabetologists. (Source: SMSRC MAT Feb'21)  
<sup>^</sup>Rank in the represented market

In FY 21, while the Oral Diabetes Care market grew at 6%, Eris outgrew it with a strong yoy growth rate of 16%.

This year, we fortified our portfolio with Gluxit, our Dapagliflozin brand in the strategically important SGLT 2 segment. Launched in October'20, Gluxit

ranks No.1 among the 30+ generic brands of Dapagliflozin and enjoys a market share of 5.5% by value (overall molecule) and 13.8% (among Generic versions) as of March '21. (Source: AIOCD AWACS Pharmatrac). We expect Gluxit to continue with its successful performance in FY22 as well.

Of our top mother brands in the segment – Glimisave, Tendia, Cyblex and Zomelis – Zomelis has scaled up its monthly run-rate by nearly 4.5x since acquisition, and has maintained its position as the #1 Vildagliptin brand among the generic versions (Rank #3 including innovator brands). Zomelis had an overall market share of 4.8% (and 10.9% among Generic versions) as of March 2021 (Source: AIOCD AWACS Pharmatrac). Our flagship Glimisave franchise has maintained its rank in terms of revenue.

**1.5X** times faster growth than market

CAGR over FY11 – FY21

31%

21%

Eris

Oral Diabetes Care Market

Source: AIOCD MAT Mar '21

\*data not adjusted for stockist panel changes during the 10 year period

**FY 21 Revenue = INR 4,701mn**

FY21 YoY growth rate

16%

6%

Eris

Oral Diabetes Care Market

Source: AIOCD MAT Mar '21

**GlimiSave**

**Tendia**

**Zomelis**

**Gluxit**

**Cyblex**

# OUR THERAPY AREAS

## Cardiac Care

Cardiac Care is our second largest therapy area, contributing INR 3,885 mn or 26% of our business. Over FY 11 to FY 21, our Cardiac Care franchise has grown 1.4x faster than the market at a CAGR of 22%.

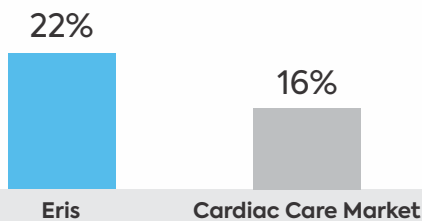
Eris is ranked #4 in terms of prescription rank among Cardiologists and #11^ in terms of revenue in the Cardiac Care space. We have five of our Top-15 mother brands - Eritel, Olmin, LNBloc,

Crevast and Atorsave – in the Cardiac Space. In FY21, Eritel and LNBloc continued to maintain ranks in their respective segments. We also made a debut in the fast-growing anti-thrombotics segment through the launch of Rivalto, our Rivaroxaban offering. In FY 21, Eris underperformed the Cardiac Care market by growing at 3%. (Source: SMSRC MAT Feb'21 and AIOCD AWACS Pharmatrac)

^Rank in the represented market

**1.4X** times faster growth than market

CAGR over FY11 - FY21

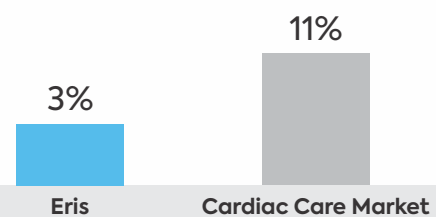


Source: AIOCD MAT Mar '21

\*data not adjusted for stockist panel changes during the 10 year period

**FY 21 Revenue = INR 3,885mn**

FY21 YoY growth rate



Source: AIOCD MAT Mar '21

Eritel | Olmin | LNBLOC | Crevast | Rivalto

## OUR THERAPY AREAS



# Vitamins, Minerals & Nutrients (VMN)

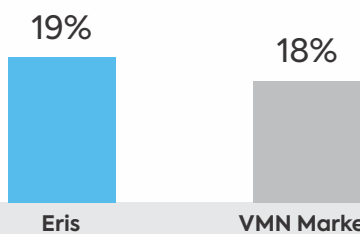
Vitamins, Minerals and Nutrients (VMN) comprises our 3rd largest therapy area contributing to INR 2,972 mn or 20% of our business. Over FY 11 to FY 21, our VMN franchise has grown 1.1x faster than the market at a CAGR of 19%.

In FY 21, while the VMN market grew at 8%, Eris' VMN growth at 15% was nearly twice the market rate. Along with strong growth in our lead offerings such as Renerve and Tayo, we fortified our

portfolio with the launch of ZACD, an immunity-enhancing formulation. ZACD combines the power of Zinc as well as Vitamins A, C and D into a convenient single tablet, and is yet another testimony of our ability to identify and capitalise on product gaps in hyper-competitive markets. We expect ZACD to add to the performance of the VMN segment with full year's revenue coming in starting FY22.

**1.1X** times faster growth than market

CAGR over FY11 - FY21

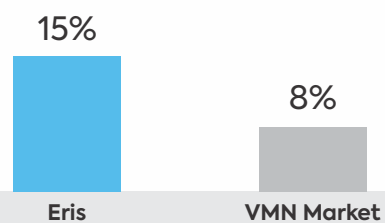


Source: AIOCD MAT Mar '21

\*data not adjusted for stockist panel changes during the 10 year period

**FY 21 Revenue = INR 2,972mn**

FY21 YoY growth rate



Source: AIOCD MAT Mar '21

**ReNerve**

**Tayo**

**ZAC-D**

**Remylin**

**GINKOCER**

# OUR THERAPY AREAS

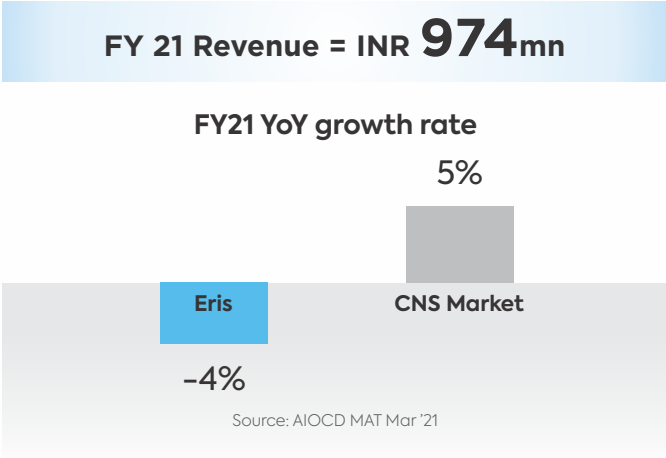
## Central Nervous System (CNS)

Our 4<sup>th</sup> largest therapy area, CNS contributed INR 974 mn or 7% of our business.

In FY 21, Eris's CNS segment de-grew by 4% yoy while the CNS market grew by 5%.

We added Bricet to the portfolio this year. Bricet is a formulation of latest generation molecule Brivaracetam indicated for the treatment of Epilepsy. Of the top 4 Mother Brands – Serlift,

Desval ER, Sonaxa and Levroxa – while Serlift, and Desval ER maintained their ranks in their respective segments, Levroxa outperformed its market and marginally gained market share in its category.





## OUR THERAPY AREAS



# Gastro Intestinal

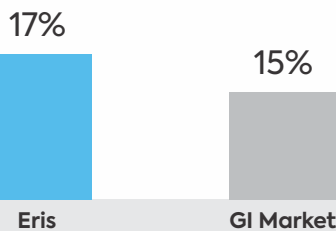
The largest therapy area in our acute franchise, GI contributed to INR 889 mn or 6% of our business. Over FY 11 to FY 21, our GI franchise has grown 1.2x faster than the market at a CAGR of 17%.

In FY 21, while the GI market grew at 5%, Eris outgrew it marginally with a yoy growth rate of 6%.

Of the top 3 Mother Brands – Rabonik, Velgut and Stugil – Rabonik and Velgut delivered robust growth in their respective categories as well as climbed 2 ranks higher. Stugil continued to maintain its position in the market.

**1.2X** times faster growth than market

CAGR over FY11 – FY21



Eris

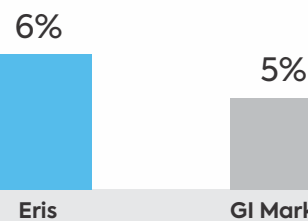
GI Market

Source: AIOCD MAT Mar '21

\*data not adjusted for stockist panel changes during the 10 year period

FY 21 Revenue = INR **889**mn

FY21 YoY growth rate



Eris

GI Market

Source: AIOCD MAT Mar '21

**Rabonik**

**Stugil**

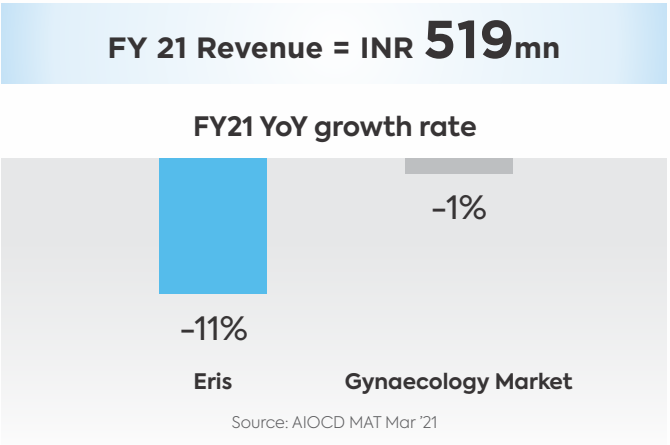
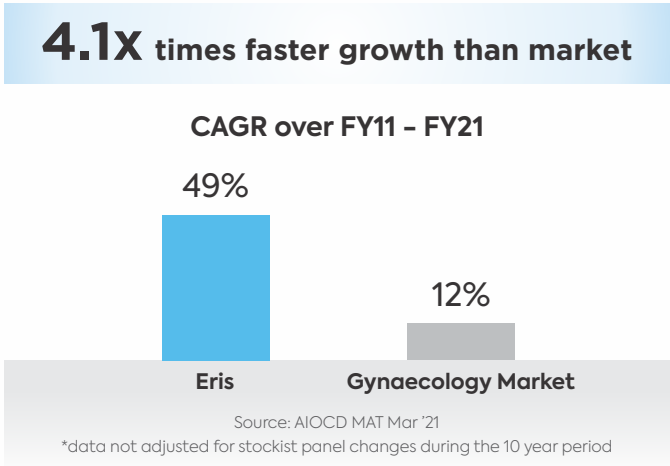
**Velgut**



Our gynaecology segment contributed INR 519 mn or 4% of our business. Over the last decade, Eris has outperformed the gynaecology market by 4.1x by growing at a CAGR of 49%.

Of the Top 3 Mother Brands – Raricap, Metital and Rariset – Rariset delivered robust growth albeit at a low base, while Raricap and Metital witnessed subdued performance. Launched in the previous year, Redrim grew strongly on a low base.

In FY 21, Eris’s gynaecology segment de-grew by 11%, underperforming the market which de-grew by 1%.



# CIRCA - WORLD-CLASS MEDICAL DEVICES

## Bringing Globally Validated Medical Devices to India

Through our in-licensing partnership with Microlife, we have brought a range of world-class medical devices to India. This includes the Circa range of blood pressure monitors, blood glucose monitors and infra-red thermometers.

Circa 120/80 range of products are the world's most validated blood pressure monitoring devices. Along with being clinically validated for medical conditions like diabetes, kidney disorder, old age and pregnancy, the devices also screen patients for abnormal heart rhythms.

Circa Validio is India's first blood glucose monitor with a patented gold cartridge system. The cartridges in the monitors use 3 patented technologies to ensure near-laboratory accuracy in readings.

Circa 98 FX are world class IR thermometers that are clinically validated in Europe and are USFDA approved. Unlike regular thermometers available in the market, CIRCA 98 FX has a blue tracking light that ensures the distance from the patient and ensures that accurate temperature is recorded every single time.

**CIRCA**  
120/80  
**BPM**



PRACTO



PREMIER



EXCLUSIO

**CIRCA**  
VALIDIO  
**BGM**



**CIRCA**  
98 FX  
**IR Thermometer**



## OUR IT PLATFORM

Our IT infrastructure provides the backbone for the operation of all our critical functions – Procurement, Forecasting, Production Planning, Manufacturing, Sales, Marketing and Field Force Management.

Deployment of best-in-class technological solutions has enabled us to ensure efficiency in operations, optimise inventory levels, streamline the supply chain, and digitise our field force operations. Technology partners like Microsoft, Accenture, Watch Guard, QNAP, VMWare, Dell, EMC and Hewlett Packard help us stay in the forefront of technological advancements and digital work-enablement.

During the year, we augmented our IT infrastructure capabilities by undertaking two new projects.

### **Business Intelligence Analytics**

Driven by proprietary technology of Accenture, which creates an insightful decision support system for senior management to make strategic and operational business decisions

### **Darwin Box**

A comprehensive and intuitive cloud-based human resource management system, with a proven track record of enhancing employee engagement and productivity

- **Business Intelligence Analytics** - Driven by proprietary technology of Accenture, targeted at building a strong decision support system for senior and middle management. The first objective of the project is to leverage the vast repository of business data being collected every day, transform it into visual dashboards and help us generate actionable insights to enable better

decision making. As the software goes through its learning process, we will start harnessing the power of predictive analytics in order to be able to model the outcomes of various potential actions. We expect this tool to enable better strategic and operational decision making across the entire range of functions spanning our business. In the first leg of this project, we have implemented dashboards featuring more than 500 KPIs across all important functional areas of the organization.

- **Darwin Box** – An end-to-end and intuitive human resource management system hosted on the cloud, which has the potential to unify the entire employee lifecycle on to a single platform. The platform enables improved employee engagement and collaboration and aids management decision making with potent analytics. This results in improved efficiency and productivity of field and remote-working personnel. The system has several features including recruitment and on-boarding management, timesheet management, and performance and compensation management along with the facility to manage other routine HR functions. The platforms also enables employees to seek 360 degree feedback, resulting in improved performance.

We have successfully deployed an On-premise Disaster Recovery solution which ensures the minimization of data loss and business disruption resulting from catastrophic events.

Our IT platform was instrumental in achieving a seamless transition to work-from-home environment with minimal disruption to operations. We are committed to increase our investments in technology in the years to come, to continue making our business operations more efficient, effective and resilient.

# OUR PEOPLE

## Treasuring Talent and Becoming the Employer of Choice

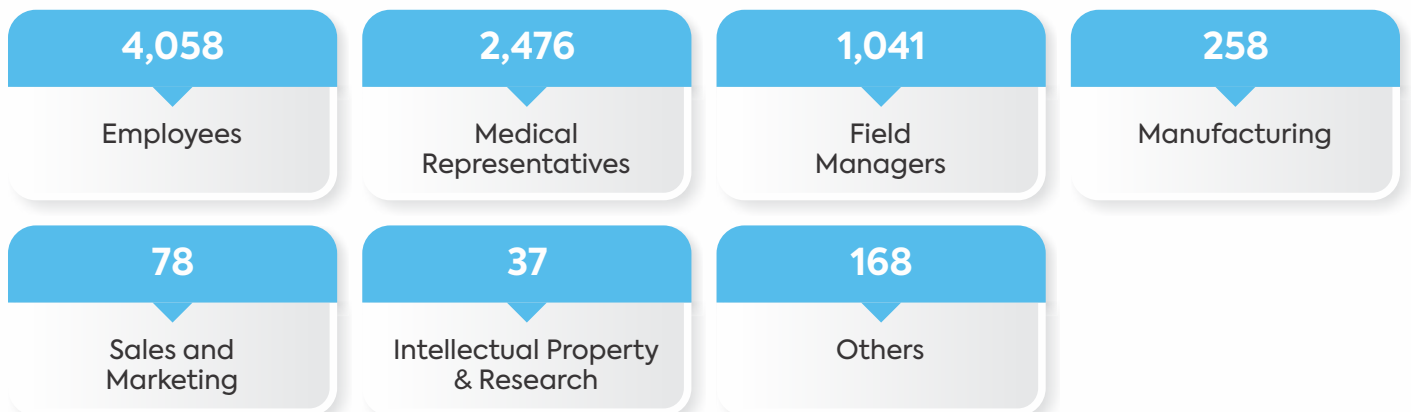
We at Eris are a large family of passionate, empowered, high-energy and result-oriented individuals. We take pride in what we have accomplished in just little over a decade, and that we continue to rank among the fastest growing companies in the industry. However more than anything else, we are driven by our shared vision of improving health outcomes through our patient centric approach.

None of this would have been possible without the talent at Eris that has fuelled its meteoric rise. We have a work environment that is fun, exciting and challenging, with the ultimate objective of nurturing and enabling our people realise their true potential. Our culture reflects our core values of patient centricity, active listening, tenacity, empowerment and integrity; these have been the core catalysts in our transformational journey since inception.

Talent management at Eris is about attracting the best talent, and grooming it for sustained success in all walks of life through professional development and opportunities for job

enrichment. Towards this, the Human Resources function goes beyond the business-partner role and assumes the role of a business-enabler. From our policies to practices, our human resources management reflects a mix of the contemporary and the futuristic, thereby striving to keep Eris ahead of the curve. Our employee engagement initiatives ensure that our workplace is as vibrant as our diverse backgrounds. We celebrate each day as we strive to perfect our work-life balance. Eris firmly believes that human capital is its most valuable asset. As the company gears up to drive growth to the next level, a talented and committed workforce will be the key catalyst in this process. To support this, Eris continues to enhance its management capabilities and train its employees to make them future-ready and develop a highly engaged and motivated workforce.

We have a strong team of 4,000+ Erisians working in our offices, our manufacturing plant and the field.



We have stepped up our technology investments in order to make a seamless transition to the “Work from Anywhere” era. The entire field force is equipped with iPads along with built-in applications in order to improve the effectiveness of doctor interactions and brand promotions. This complete digitization of the field force ensured that even during the nation-wide lockdown and the subsequent regional lockdowns, our field force was able to stay digitally connected with Doctors through video calls, video conferences etc.

Our Human Resource team conducts several training and development programmes to enhance the capabilities of our people.



Launched in March 2020, this digital platform connects the entire field force of Eris on a single platform, thereby keeping them abreast of all significant organisational developments and communication. During the year, we added two new programs to the scope.

### New Joinee Induction Program (NJIP)

A programme where the reporting managers conduct induction of New BEs within a time span of six days and participants have to complete activities pertaining to doctor visits, HQ visits and appear for a quiz of their respective brands

### My Voice

A platform where employees can voice their grievances which are directed to the Heads of HR and other relevant functions.

## e-Aagman

A web based learning platform, where we connect with our new joinees and enable interactive learning. During the year, over 300 employees participated in the program.

## Engagement Initiatives

At Eris, we strive to enable our employees to pursue their passion while excelling at work. We organized a number of employee engagement activities at the corporate and plant levels in order to maximise alignment of employee values with those of the company. Examples of such events include Patient Care Champions, Erinovation (in celebration of Eris Day) and a Talent Hunt for field force.

We also take the time out to celebrate small moments of happiness with our employees and their families like job confirmations, promotions, new-borns in the family and festive occasions.





# OUR DISTRIBUTION NETWORK

## Pan-India Sales and Distribution Presence

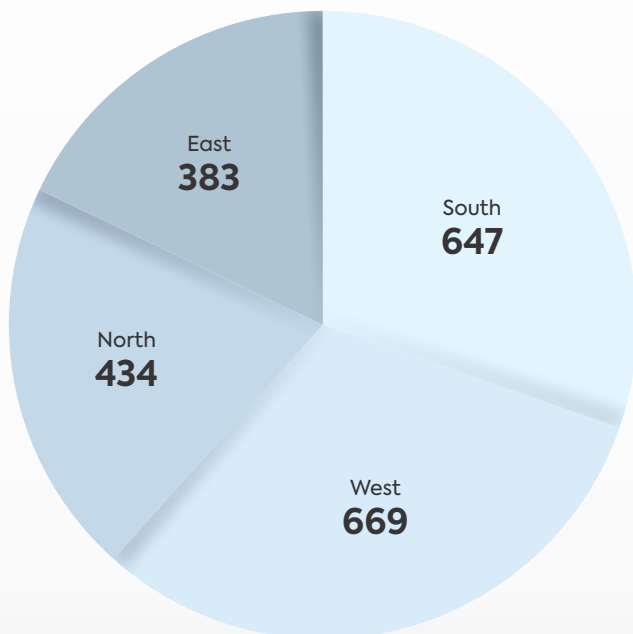
During the year, we continued to aggressively pursue our strategy to effectively manage our stockist network. The emphasis was on deepening our presence in existing markets and penetrating into newer geographies across India.

Our comprehensive pan-India distribution network of 23 Sales depots, 2,133 Stockists and more than 5,00,000 chemists ensures timely and

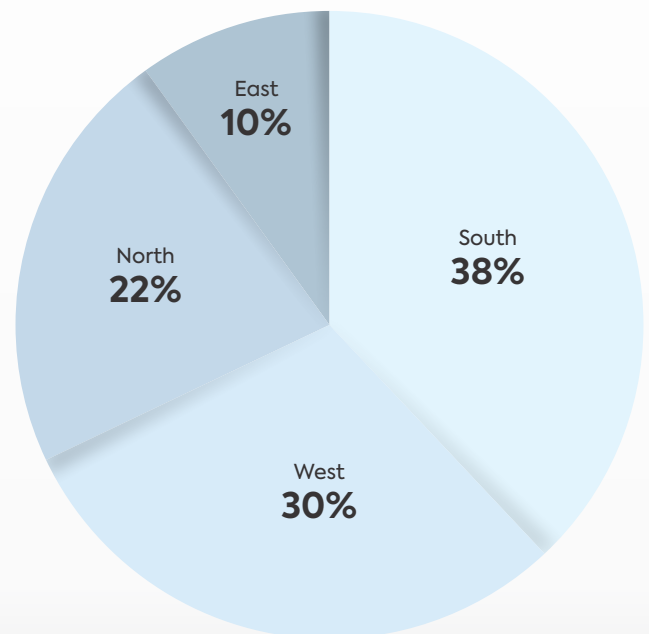
efficient distribution of our products across all relevant retail counters in the country.

Our supply chain team continues to demonstrate significant resilience by keeping the flow of life-saving critical medicines intact throughout the country, in the face of difficult times induced by the pandemic. The cornerstones of our supply chain operation are flexibility, reliability and efficiency.

### Pan India Stockists



### Region Wise Sales Distribution

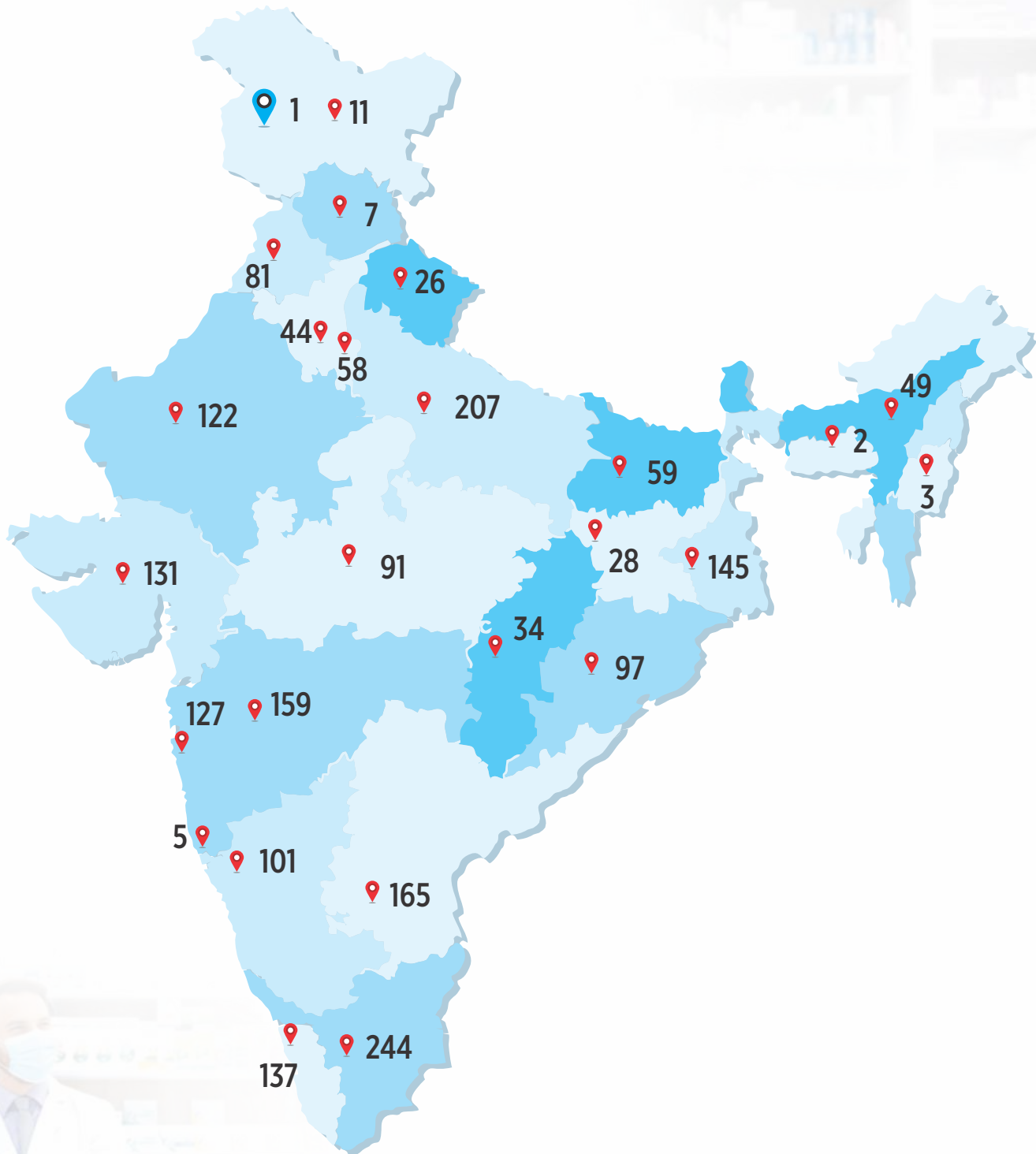




**23**  
SALES DEPOT

**2,133**  
STOCKIST

**5,00,000<sup>+</sup>**  
RETAIL CHEMISTS



# OUR MANUFACTURING INFRASTRUCTURE

Our state-of-the-art manufacturing facility at Guwahati, Assam accounted for 74% of all products sold (by value) in FY21. As our Guwahati facility continued its operations in order to support the nation with a supply of essential medicines, we implemented rigorous protocols with regards to social distancing and a phased return-to-work policy. An exhaustive review is undertaken periodically to improve our manufacturing processes and enhance efficiencies. The facility is home to the manufacture of organically-developed products as well as most of our acquired products including Zomelis, Renerve capsules and other oral solid-dose products from the Strides portfolio.

## Capacity Utilization for Prescription Products

Products	Capacity (in mn units)*	Output (in mn units)	Capacity Utilisation
Tablets	2000	1130	57%
Capsules	200	80	40%
Sachets	40	1	2.5%
Soft Gel Tablets	50	47	94%

## Capacity Utilization for Supplements and Nutraceuticals

Products	Capacity (in mn units)*	Output (in mn units)	Capacity Utilisation
Tablets	66	7	11%
Capsules	46	21	46%
Sachets	2	-	-

\*Installed Capacity based on two shifts per day

**74% of revenues from products manufactured at Guwahati in FY21**

**345+ products manufactured**

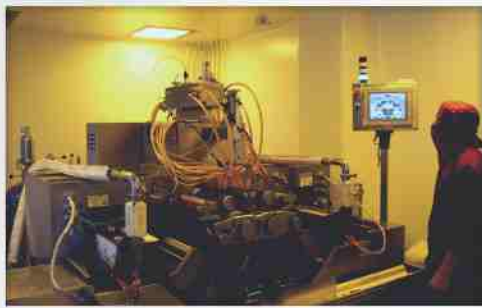
**State-of-the-art manufacturing facility in Guwahati, Assam**

**1 Lakh sq ft built-up area**

**Our manufacturing facility is eligible to avail of certain tax incentives including income tax exemption till FY 24 and GST subsidies until FY25**

**WHO GMP guidelines compliant**









## ENVIRONMENT, SAFETY AND SOCIAL RESPONSIBILITY

We continue to prioritise our policy of energy conservation across the company. The following energy conservation measures were implemented at our Guwahati manufacturing facility during the financial year, which resulted in a saving of ~ 70,000 units per month:

- Optimisation of compressed air generation process
- Insulation of hot water tanks/steam lines to prevent energy loss
- Ensuring periodic preventive maintenance activities of all systems like HVAC, plant and utility equipment to ensure energy efficiency
- Ensuring operational efficiency of electronic equipment and appliances through periodic servicing; use of energy efficient lighting options like LED bulbs and turning off lights in the No-Man area

Our waste management strategy entails at-source waste minimization, segregation and pre-processing before safe disposal by handing over to a PCB-approved agency for co-processing/disposal. Our Guwahati manufacturing facility deploys an effluent treatment plant with Zero Liquid Discharge (ZLD) treatment process. This process has been designed to manage wastewater economically and produce clean water suitable for reuse in gardening, cooling towers and in washrooms. The plant processed an average of ~ 20,000 litres of effluent per day during the last financial year.

We also take care to optimise our water consumption through the following strategies:

- Installing flow meters for regular monitoring of consumption of water
- Recharging of ground water source / bore-well by surrounding it with a green belt and through rain water harvesting

We continue to promote several initiatives towards ensuring employee health and safety. Strict adherence to safety protocols mean that we have had zero accidents at our Guwahati facility since inception. Some of the key health and safety measures undertaken by us are as follows:

- Conducting frequent risk assessments and regular checks to ensure safety of employees
- Identifying potential safety hazards and undertaking the required procedures to mitigate risks related to such hazards
- Providing practical training on fire and first aid by professional experts
- Providing on-the-job training by in-house experts
- Celebrating Safety Week every year to promote awareness on the importance of safety procedures
- Conducting regular medical check-ups for all employees
- Arranging safety kits, PPEs, Covid testing and treatment for employees during the pandemic

It has always been our endeavour to build a strong and amicable engagement with the local community around our manufacturing facility, with the objective of working towards their welfare. We conducted several social welfare activities during the year:

- Donated funds to the Zila Sainik Welfare Office for the welfare of families of servicemen and ex-Servicemen
- Donated funds to the Assam Arogya Nidhi Fund for the welfare of BPL families
- Donated funds to the War Widow Fund
- Provided flood relief in the form of food and clothing to affected population
- Distributed food rations during the pandemic
- Conducted eye check-up camps for the local community

# AWARDS & ACCOLADES



Best CFO Award in Medium Enterprises  
(Manufacturing Industry Category)



National Best Employer Brand 2018  
Eris wins out of 100 brands



Emerging Companies  
Excellence Award 2013



Ernst & Young Awards  
Mr. Amit Bakshi,  
Entrepreneur of the Year 2013



Competitive Strategy  
Leadership Award 2013





## STRATEGIC GROWTH DRIVERS



**Consolidation through improved detection and disease management**  
Consolidate existing brand portfolio by driving better awareness, earlier detection and comprehensive management of diseases. Our latest- generation Diabetes products Gluxit and Zomelis are highly strategic in the management of post-Covid early-onset Diabetes (unmasking of Diabetes)



**Significantly expand coverage of Specialists and Consulting Physicians**



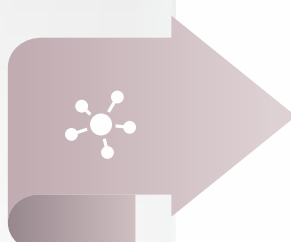
**New product pipeline through upcoming patent expirations**  
Launch new products in cardiovascular, oral diabetes care and allied segments



**Therapeutic Diversification**  
Expand our footprints in high-growth areas like neurology, women's health and dermatology



**In-licensing**  
Leverage in-licensing opportunities to close portfolio gaps and enter fast-growing areas

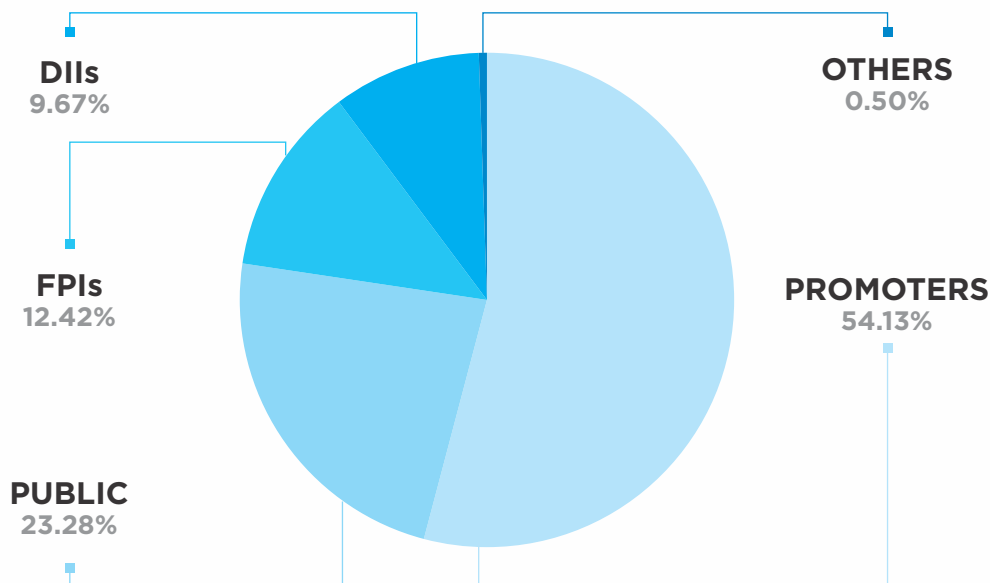


**Strategic Acquisitions**  
Augment product line and capabilities through inorganic opportunities

# OUR INVESTORS

## Shareholding of Promoters and Top 15 Institutional Investors

	As on 31-Mar-2021	As on 31-Dec-2020	As on 30-Sep-2020
<b>Name of Shareholder</b>	<b>605*</b>	<b>580*</b>	<b>538*</b>
<b>Promoters</b>	<b>54.13%</b>	<b>54.23%</b>	<b>54.08%</b>
ChrysCapital (Emerald Investment Limited)	5.51%	5.51%	5.51%
UTI Mutual Fund	4.38%	3.65%	3.34%
Aditya Birla Sun Life Mutual Fund	1.88%	2.38%	2.54%
Franklin Templeton Mutual Fund	1.38%	1.38%	1.73%
Vanguard	1.11%	0.00%	0.00%
Fundsmith Emerging Equities Trust	1.09%	1.09%	1.09%
L and T Mutual Fund	0.90%	0.76%	0.76%
Kuwait Investment Authority	0.87%	1.11%	1.11%
Tata Mutual Fund	0.68%	0.94%	0.94%
Kotak Mutual Fund	0.61%	0.83%	1.16%
Malabar Select Fund	0.45%	0.14%	0.00%
Steinberg India Fund	0.44%	0.44%	0.44%
Ellipsis Partners LLC	0.36%	0.36%	0.17%
Government Pension Fund Global- Norges Bank	0.36%	0.06%	0.06%
Shinsei UTI JV	0.24%	0.20%	0.21%



\* Closing price as per NSE

# STATUTORY REPORTS

# MANAGEMENT DISCUSSION AND ANALYSIS

## ECONOMIC OVERVIEW

The COVID-19 pandemic which began to impact the global economy toward the last quarter of FY20 continued to impact the full year of FY21. As per the IMF's World Economic Outlook report published in April 2021 the global economy contracted sharply by -3.3% in 2020 which is much worse than during the 2008-09 financial crisis. Indian economy is also projected to have contracted sharply by -8.0% in FY21 and -7.1% in CY 2020. This is in sharp contrast to projections of IMF's World Economic Outlook report published in October 2019 in which they had projected global economy and India to grow at 3.4% and 7.0% respectively in 2020.

There is extreme uncertainty due to the public-health and economic disruption created by the COVID-19 pandemic. Companies continue to scramble to address rapidly developing changes in the public-health environment, public policy, customer behaviour and economic uncertainty. The uncertainty of this situation can be estimated from the fact that even after a year in this pandemic, companies are unsure of the magnitude and expected duration of the crisis.

Global prospects remain highly uncertain with new virus mutations and the death toll raise concerns; even as growing vaccine coverage lifts sentiment. The outlook depends not just on the outcome of the battle between the virus and vaccines—it also hinges on how effectively economic policies deployed under high uncertainty can limit lasting damage from this unprecedented crisis. India has also come under pressure with a sharp increase in cases and fresh lockdown pressure owing to the COVID-19 renewing uncertainty and predictability.

Among all the uncertainty, IMF's World Economic Outlook report published in April 2021 has projected sharp rebound in growth in CY 2021. Global growth is projected at 6% in 2021 while India is projected to grow at the fastest pace of 12.5% among all the major economies.

## INDIAN PHARMACEUTICALS MARKET (IPM)

The Indian pharma industry has achieved significant growth during the past five decades. From contributing

just 5% of the medicine consumption in 1969 (95% share with the global pharma), the share of "Made in India" medicines in Indian pharma market is now a robust 80% in 2020.

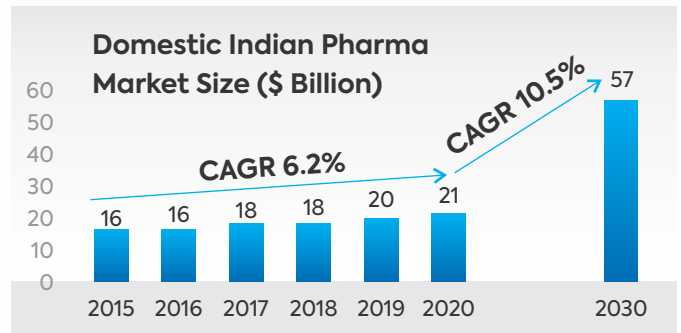
Since the outbreak of COVID 19 Pandemic, pharmaceutical industry along with the healthcare sector globally, has been impacted in an unseen way leading to material impact around consumer requirements and preferences accompanied by macroeconomic, structural, and microeconomic changes in the end-to-end value chain. From March 2020 onwards, the industry has been hit by debilitating restrictions and impediments to reach customers with expectations to operate and supply drugs. In the last few months, COVID-19 has led to significant geo-economic and geopolitical shifts, with major economies driving self-sufficiency agenda and recalibrating their global business models.

The Indian Pharmaceutical market which grew by ≈9-10% in previous 2 years grew by 2.1% in FY21. This recovery has to be seen in light of the strong sequential rebound in the market after a sharp decline during initial months of the year. Lockdown in initial part of the year posed strong headwinds from multitude of concerns around supply chain, prices, impact on demand and availability assuming significance. While the chronic therapies remained relatively insulated from the impact of the pandemic, the acute business witnessed a drop, with recovery signs beginning only in later part of the year 2020. The impact of lockdown was felt more in urban regions versus non-urban regions.



Source: AIOCD, Ind-Ra

The domestic Indian pharma industry is positioned to grow, driven by an ageing population, higher medicine spending and rising share of chronic therapies such as cardiac, diabetes and cancer. First-line therapy medicines should drive volume growth. Indian domestic pharma market has grown at an impressive CAGR of ~14% during the last 15 years despite hurdles such as price control.



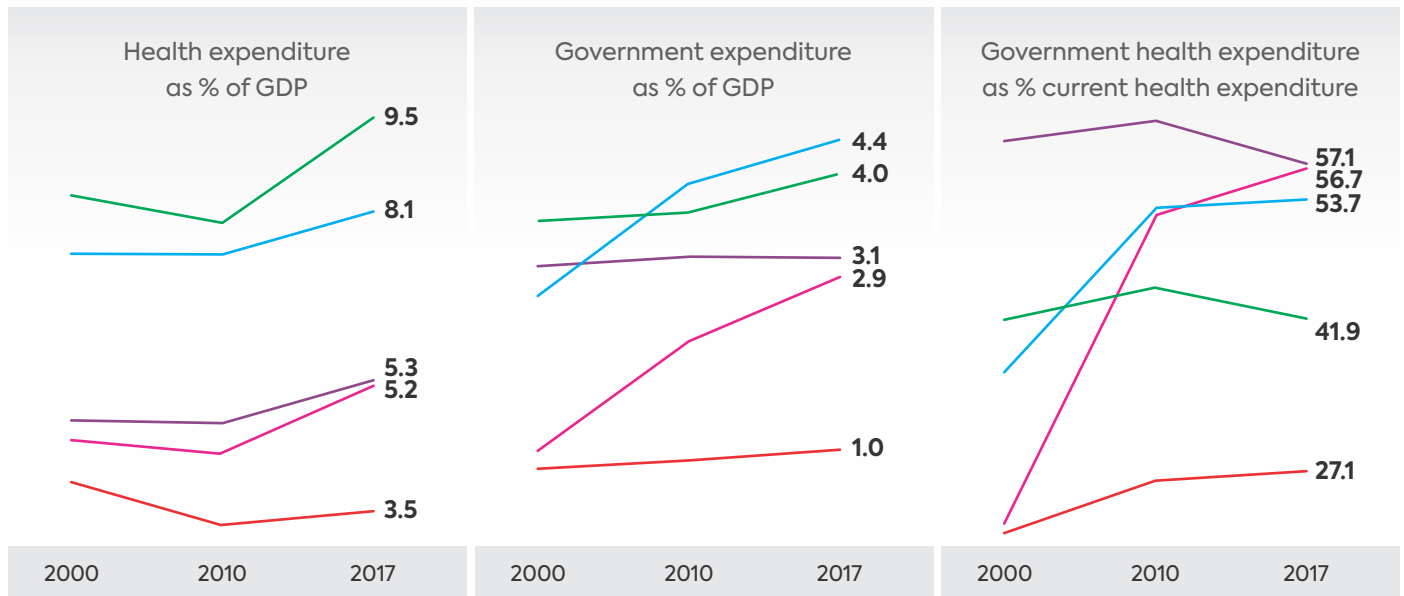
Source: Statista, EY

The COVID-19 pandemic has brought sharp focus on the need for healthcare reforms to promote universal access to affordable care and bridge geographic, economic and social divisions. Moreover, it clearly highlighted the importance of a strong healthcare system, the lack of which can put an entire nation's economy and society at risk. As India continues to fight COVID-19 and stabilize its economic growth trajectory, it is the right time for the country to apply learnings from the challenges and best practices that emerged during the pandemic. There is a need to swiftly develop the required healthcare

infrastructure and make it available to the entire population. The Indian pharma industry has been a key contributor in improving the country's healthcare and economic outcomes. The pandemic has accelerated several opportunities and challenges for the industry.

As a percentage of GDP, India is one of the lowest spenders on total and public healthcare when compared to other BRICS countries.

### Healthcare Financing



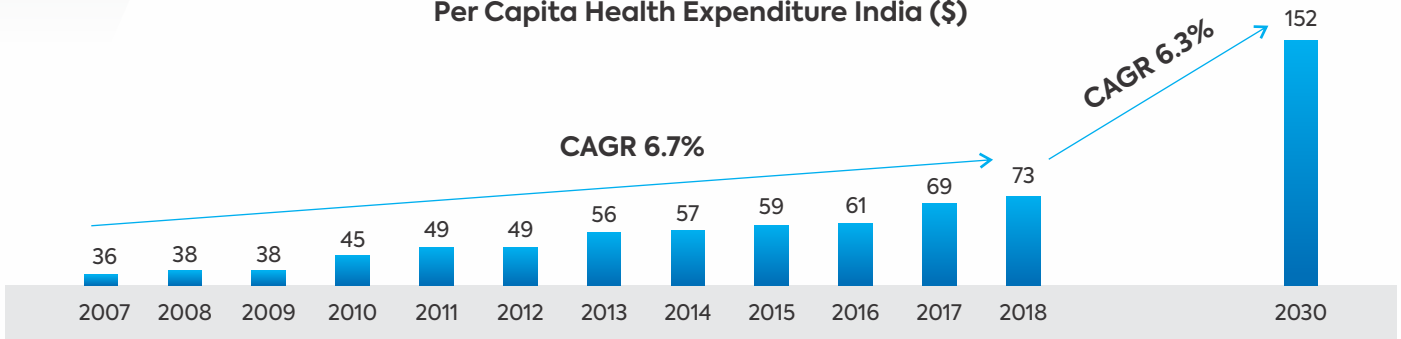
Source: WHO

— Brazil — Russia — India — China — South Africa

At the current rate of investment, India's public healthcare capacity and delivery will continue to be sub-optimal. As such, greater than 70% of capacity and ~60% of inpatient care is being served by the private healthcare system in India. The government aims to increase the

spend to 2.5% of GDP by 2025. This is expected to boost the overall healthcare infrastructure in the country. India's per capita health expenditure which was \$73 in 2018 is expected to more than double by 2030.

### Per Capita Health Expenditure India (\$)



Source: World Bank, Global Burden of Disease Health Financing Collaborator Network

Pradhan Mantri Jan Arogya Yojana (PMJAY), coupled with the improvement in penetration of private health insurance, has increased the proportion of the insured population to 52% in 2017-18, from 37% in 2014-15. Coverage is projected to grow close to 70-75% by 2025. By 2030, India can achieve full Universal Health Cover if

Ayushman Bharat expands to include middle class (by increasing coverage from 45% to 65% of population, with the rest of the population under private insurance and employee schemes). Increase in insurance coverage will help drive the expansion of healthcare services and pharmaceuticals market in India.

### Expanding Healthcare Coverage

Population coverage	Changing payer mix: individual to institutional		
	2014-2015	2017-2018	2025P
Commercial insurance	6%	10%	19%-20%
Employee schemes (CGHS,ESIS)	6%	10%	10%-15%
Government schemes	25%	32%	40%-45%
Uncovered population	63%	48%	20%-30%

Source: EY FICCI report, Re-engineering Indian Healthcare, September 2016, IRDAI Handbook, IRDAI Annual Report, National Health Profile, Individual state insurance websites, EY analysis

## COMPANY OVERVIEW – WHO WE ARE

Eris Lifesciences Ltd is the only publicly listed Indian pharmaceutical company with a pure-play domestic branded formulations business model. Established in 2007, Eris is by far the youngest company in the IPM Top-25. Our business ethos is based on two pillars – harnessing the power of cutting-edge science to bring evidence-based therapies to the market, and enabling patients to take charge of their diagnoses and their lives through our patient care initiatives. Since inception, we have been focused on chronic and sub chronic lifestyle related therapies. We are a fully-integrated pan-India business

with a strong focus on high-end super-specialist doctors and consulting physicians.

We continue to pioneer the generation of actionable medical evidence through initiatives such as the India Heart Study (IHS) and India Diabetes Study (IDS); these studies are helping create bodies of knowledge hitherto unknown and are paving the way for better management of health and treatment outcomes. IHS, the only study of its kind on hypertension based on the Indian population has been jointly accepted by the European Society of



Hypertension and the International Society of Hypertension.

We made a seamless transition to the digital era in FY21, with the conduction of ~2,500 digital interactions (webinars) in FY21 covering over 33,000 medical practitioners, across a range of topics including diabetes, heart failure, Covid impact on cardio-metabolic health, general immunity and epilepsy.

We are very passionate about our unique Patient Care Initiatives (PCI) platform, which enables us to bring cutting-edge healthcare solutions to patients through the involvement and cooperation of Key Opinion Leaders in our specialty businesses. Our initiatives are focused on bringing state-of-the-art diagnostic facilities and subsequent treatment options to patients. What started as a small initiative has turned into a mammoth programme over the years whereby we have helped tens of thousands of patients towards healthier lives through initiatives such as the ABPM, HBPM, CGM, Sleep Studies, and Holter on Call.

We have a fully integrated business model with our WHO GMP compliant manufacturing facility in Guwahati

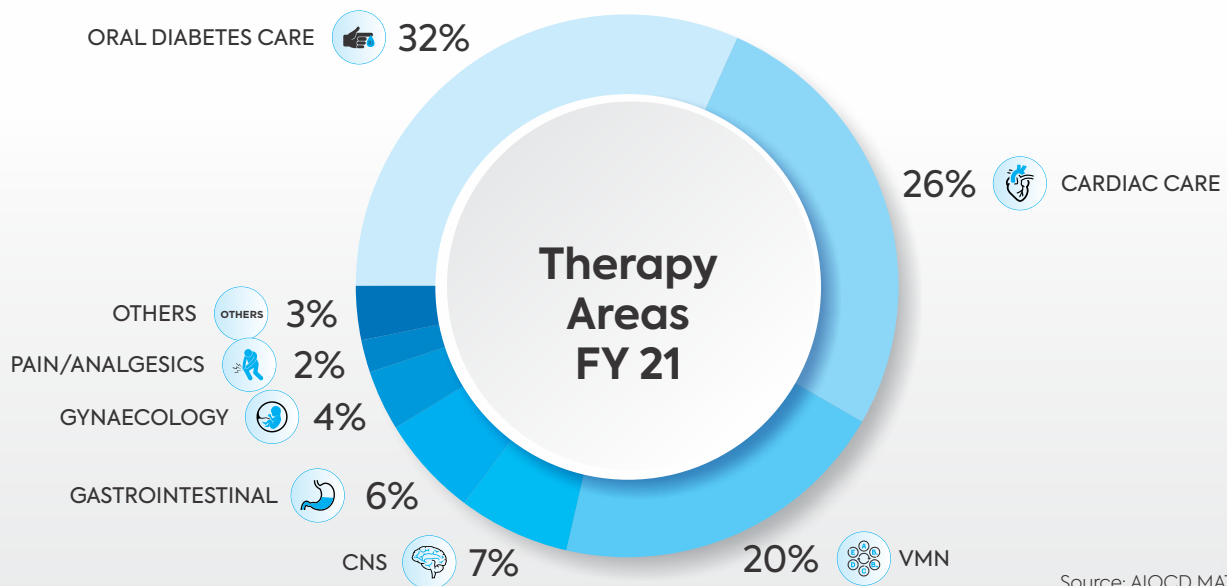
catering to 74% of our revenue. Our pan-India distribution network of over 2,100 stockists and 5,00,000+ chemists gives us a seamless presence across the nation. Over 4000 employees work out of our corporate offices in Ahmedabad and Mumbai, the field and our Guwahati facility.

Revenues have grown 6x in the last 10 years (since FY11) and 2x in the last 5 years (since FY16). Net profits have grown ~17x in the last 10 years and 2.6x in the last 5 years. The company has maintained an ROIC in excess of ~30% over the last 12 years. Fourteen years into the business, the company retains its fundamental strengths in terms of a chronic-focused portfolio (91% of sales) with low (7%) NLEM exposure, high mind-share and prescription ranks with super-specialists (#3 among Diabetologists and #4 among Cardiologists), strong cash generation (free cashflow of 81% of FY21 EBIDTA) and a debt-free balance sheet.

FY21 has been a game changer for the company in terms of getting us on to the next leg of growth. We look forward to exciting years ahead where we would be able to create value for all our stakeholders and society at large.

## OUR BUSINESS

Eris derives all of its revenue from the domestic formulations market. Chronic and sub-chronic therapies make 91% of our business (vs. 55% for the IPM).



Source: AIOCD MAT Mar 21

## OUR TOP MOTHER BRANDS

We have a focused portfolio with Our Top 15 Mother Brands making up nearly 80% of our revenue.

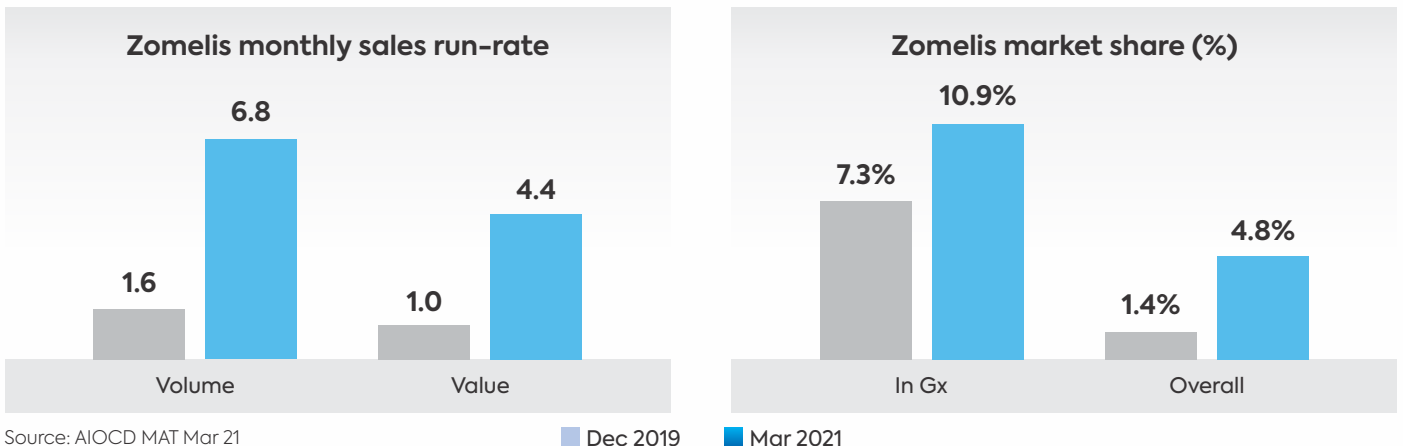
	Market Share	Sales (INR Mn)
<b>GlimiSave</b>	6%	2,686
<b>Eritel</b>	4%	1,445
<b>ReNerve</b>	8%	1,338
<b>Tendia</b>	6%	706
<b>Olmin</b>	7%	646
<b>Rabonik</b>	4%	633
<b>Tayo</b>	4%	627
<b>Cyblex</b>	9%	621
<b>LNBLOC</b>	9%	572
<b>Remylin</b>	4%	459
<b>Zomelis</b>	4%	444
<b>Crevast</b>	2%	429
<b>AtorSave</b>	2%	391
<b>*GINKOCER</b>	29%	227
<b>Metital</b>	65%	190

Source: AIOCD MAT Mar 21



Market leader with a 4.4x growth in monthly sales run-rate since acquisition

Zomelis has consistently ranked #1 among the 80+ generics brands of Vildagliptin; Rank #3 including innovator brands




Source: AIOCD MAT Mar 21

■ Dec 2019 ■ Mar 2021

Sales volume in mn tablets, Sales value in INR Crore, Market share by value


**OUR PRESCRIPTION RANKINGS**


Continued high prescription ranks among super-specialists

**4<sup>TH</sup>**  
RANK  **CARDIOLOGISTS**

**3<sup>RD</sup>**  
RANK  **DIABETOLOGISTS**

**3<sup>RD</sup>**  
RANK  **GASTROENTEROLOGISTS**

**3<sup>RD</sup>**  
RANK  **NEUROLOGISTS**

**6<sup>TH</sup>**  
RANK  **CONSULTING PHYSICIANS**

**OUR STRATEGIC BUSINESS UNITS**

We have focused our business operations around 11 divisions organised into 4 Clusters/ Strategic Business Units.

**Eris**  
**Phoenix**  
A Division of Eris  
**ASPIRE**  
A Division of Eris

**Cluster 1**  
**Cardio**  
**Metabolic**

**Inspira**  
A division of ERIS  
**ADURA**  
A Division of ERIS  
**Victus**  
A Division of ERIS

**Cluster 2**  
**Cardio**  
**Metabolic**

**Eterna**  
**Altiza**  
A division of ERIS

**Cluster 3**  
**CNS**

**Filix**  
A Division of ERIS  
**Nikkos**  
A Division of ERIS  
**Montana**  
A Division of ERIS

**Cluster 4**  
**Wellness**

Source: SMSRC MAT Feb '21  
Prescription Ranks in Represented Market

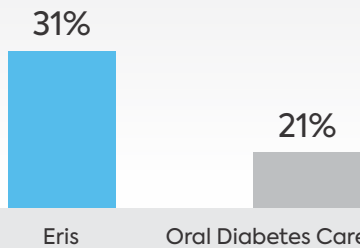
## OUR THERAPY AREAS

### ORAL DIABETES CARE

Oral Diabetes Care is our largest therapy area, contributing INR 4,701 mn or 32% of our business. Over FY11 to FY 21, our Oral Diabetes Care franchise has grown 1.5x faster than the market at a CAGR of 31%.

#### 1.5X times faster growth than market

##### CAGR over FY11 - FY21



Source: AIOCD MAT Mar '21

\*data not adjusted for stockist panel changes during the 10 year period

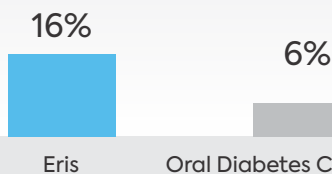
With a long-standing and established presence in Oral Diabetes Care, Eris continues to fortify its high ranking in terms of revenue rank of #5<sup>^</sup> and prescription rank of #3 among Diabetologists. (Source: SMSRC MAT Feb '21)

<sup>^</sup>Rank in the represented market

In FY 21, while the Oral Diabetes Care market grew at 6%, Eris outgrew it with a strong yoy growth rate of 16%.

#### FY 21 Revenue = INR 4,701mn

##### FY21 YoY growth rate



Source: AIOCD MAT Mar '21

This year, we fortified our portfolio with Gluxit, our Dapagliflozin brand in the strategically important SGLT 2 segment. Launched in October '20, Gluxit ranks No.1 among the 30+ generic brands of Dapagliflozin and enjoys a market share of 5.5% by value (overall molecule) and 13.8% (among Generic versions) as of March '21. (Source: AIOCD AWACS Pharmatrac) We expect Gluxit to continue with its successful performance in FY22 as well.

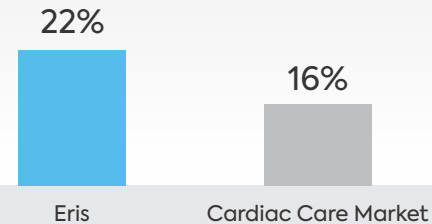
Of our top mother brands in the segment – Glimisave, Tendia, Cyblex and Zomelis – Zomelis has scaled up its monthly run-rate by nearly 4.5x since acquisition, and has maintained its position as the #1 Vildagliptin brand among the generic versions (Rank #3 including innovator brands). Zomelis had an overall market share of 4.8% (and 10.9% among Generic versions) as of March 2021. (Source: AIOCD AWACS Pharmatrac) Our flagship Glimisave franchise has maintained its rank in terms of revenue.

### CARDIAC CARE

Cardiac Care is our second largest therapy area, contributing INR 3,885 mn or 26% of our business. Over FY 11 to FY 21, our Cardiac Care franchise has grown 1.4x faster than the market at a CAGR of 22%.

#### 1.4X times faster growth than market

##### CAGR over FY11 - FY21



Source: AIOCD MAT Mar '21

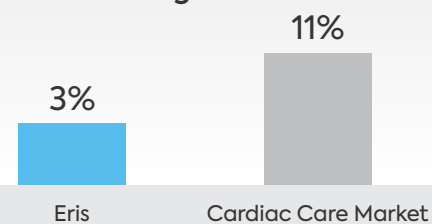
\*data not adjusted for stockist panel changes during the 10 year period

Eris is ranked #4 in terms of prescription rank among Cardiologists and #11<sup>^</sup> in terms of revenue in the Cardiac Care space. We have five of our Top-15 mother brands – Eritel, Olmin, LNBloc, Crevast and Atorsave – in the Cardiac Space. In FY21, Eritel and LNBloc continued to maintain ranks in their respective segments. We also made a debut in the fast-growing anti-thrombotics segment through the launch of Rivalto, our Rivaroxaban offering. In FY 21, Eris underperformed the Cardiac Care market by growing at 3%. (Source: SMSRC MAT Feb '21 and AIOCD AWACS Pharmatrac.)

<sup>^</sup>Rank in the represented market

#### FY 21 Revenue = INR 3,885mn

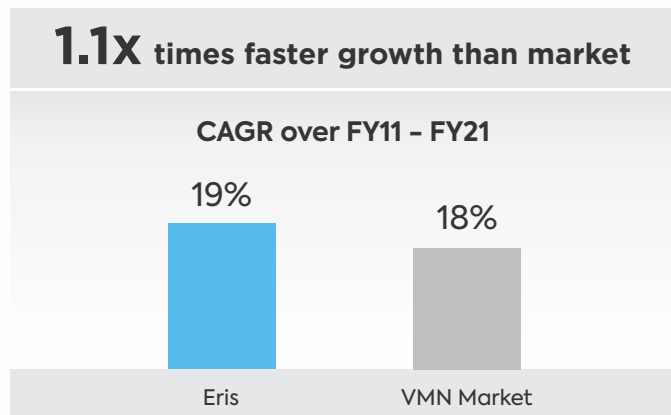
##### FY21 YoY growth rate



Source: AIOCD MAT Mar '21

### VITAMINS, MINERALS & NUTRIENTS (VMN)

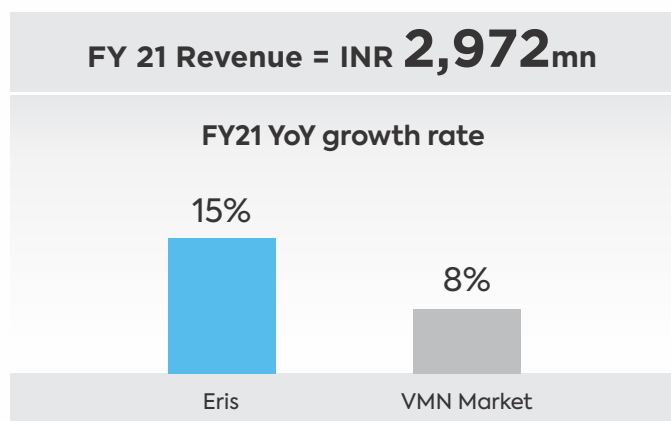
Vitamins, Minerals and Nutrients (VMN) comprises our 3<sup>rd</sup> largest therapy area contributing to INR 2,972 mn or 20% of our business. Over FY 11 to FY 21, our VMN franchise has grown 1.1x faster than the market at a CAGR of 19%.



Source: AIOCD MAT Mar '21

\*data not adjusted for stockist panel changes during the 10 year period

In FY 21, while the VMN market grew at 8%, Eris' VMN growth at 15% was nearly twice the market rate. Along with strong growth in our lead offerings such as Renerve and Tayo, we fortified our portfolio with the launch of ZACD, an immunity-enhancing formulation. ZACD combines the power of Zinc as well as Vitamins A, C and D into a convenient single tablet, and is yet another testimony of our ability to identify and capitalise on product gaps in hyper-competitive markets. We expect ZACD to add to the performance of the VMN segment with full year's revenue coming in starting FY22.

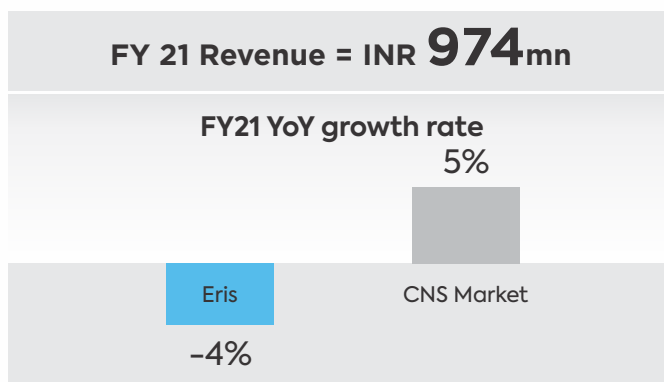


Source: AIOCD MAT Mar '21

### CENTRAL NERVOUS SYSTEM (CNS)

Our 4<sup>th</sup> largest therapy area, CNS contributed INR 974 mn or 7% of our business.

In FY 21, Eris's CNS segment de-grew by 4% yoy while the CNS market grew by 5%.

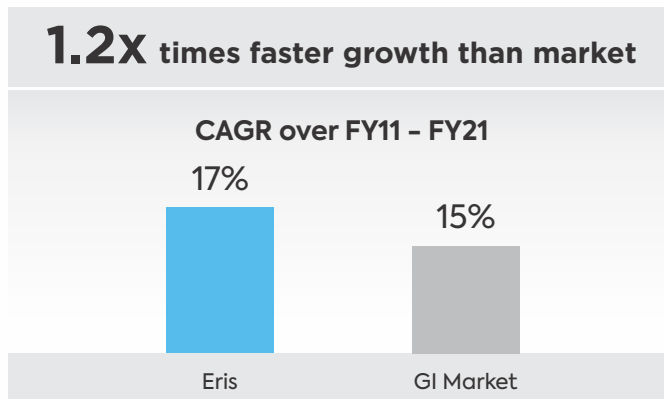


Source: AIOCD MAT Mar '21

We added Bricet to the portfolio this year. Bricet is a formulation of latest generation molecule Brivaracetam indicated for the treatment of Epilepsy. Of the top 4 Mother Brands – Serlift, Desval ER, Sonaxa and Levroxa – while Serlift, and Desval ER maintained their ranks in their respective segments, Levroxa outperformed its market and marginally gained market share in its category.

### GASTRO INTESTINAL (GI)

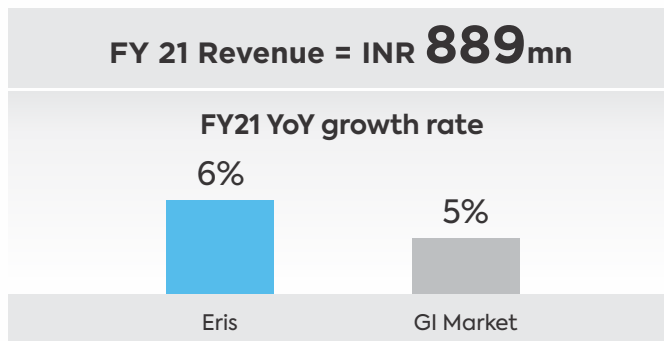
The largest therapy area in our acute franchise, GI contributed to INR 889 mn or 6% of our business. Over FY 11 to FY 21, our GI franchise has grown 1.2x faster than the market at a CAGR of 17%.



Source: AIOCD MAT Mar '21

\*data not adjusted for stockist panel changes during the 10 year period

In FY 21, while the GI market grew at 5%, Eris outgrew it marginally with a yoy growth rate of 6%.

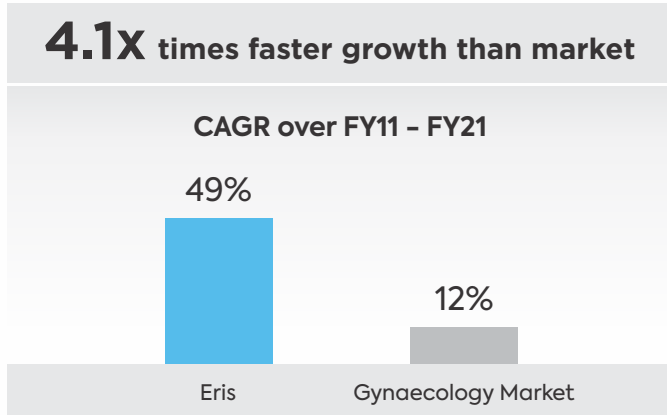


Source: AIOCD MAT Mar '21

Of the top 3 Mother Brands – Rabonik, Velgut and Stugil – Rabonik and Velgut delivered robust growth in their respective categories as well as climbed 2 ranks higher. Stugil continued to maintain its position in the market.

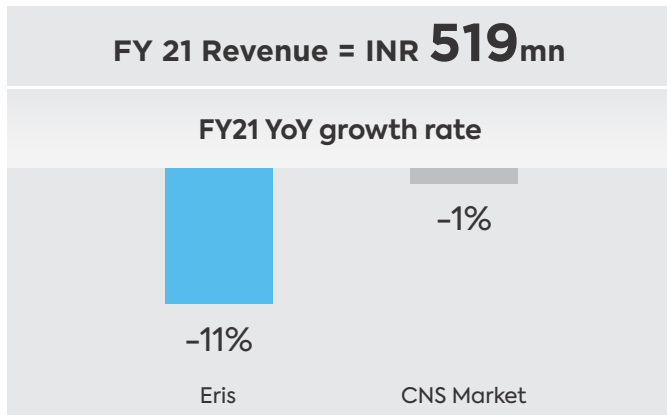
### GYNAECOLOGY

Our gynaecology segment contributed INR 519 mn or 4% of our business. Over the last decade, Eris has outperformed the gynaecology market by 4.1x by growing at a CAGR of 49%.



Source: AIOCD MAT Mar '21  
\*data not adjusted for stockist panel changes during the 10 year period

In FY 21, Eris's gynaecology segment de-grew by 11%, underperforming the market which de-grew by 1%.



Source: AIOCD MAT Mar '21

Of the Top 3 Mother Brands – Raricap, Metital and Rariset – Rariset delivered robust growth albeit at a low base, while Raricap and Metital witnessed subdued performance. Launched in the previous year, Redrim grew strongly on a low base.

## CIRCA – WORLD-CLASS MEDICAL DEVICES

### BRINGING GLOBALLY VALIDATED MEDICAL DEVICES TO INDIA

Through our in-licensing partnership with Microlife, we have brought a range of world-class medical devices to India. This includes the Circa range of blood pressure monitors, blood glucose monitors and infra-red thermometers.

Circa 120/80 range of products are the world's most validated blood pressure monitoring devices. Along with being clinically validated for medical conditions like diabetes, kidney disorder, old age and pregnancy, the devices also screen patients for abnormal heart rhythms.

Circa Validio is India's first blood glucose monitor with a patented gold cartridge system. The cartridges in the monitors use 3 patented technologies to ensure near-laboratory accuracy in readings.

Circa 98 FX are world class IR thermometers that are clinically validated in Europe and are USFDA approved. Unlike regular thermometers available in the market, CIRCA 98 FX has a blue tracking light that ensures the distance from the patient and ensures that accurate temperature is recorded every single time.







**OUR IT PLATFORM**

Our IT infrastructure provides the backbone for the operation of all our critical functions – Procurement, Forecasting, Production Planning, Manufacturing, Sales, Marketing and Field Force Management.

Deployment of best-in-class technological solutions has enabled us to ensure efficiency in operations, optimise inventory levels, streamline the supply chain, and digitise our field force operations. Technology partners like Microsoft, Accenture, Watch Guard, QNAP, VMWare, Dell, EMC and Hewlett Packard help us stay in the forefront of technological advancements and digital work-enablement.

During the year, we augmented our IT infrastructure capabilities by undertaking two new projects.

**Business Intelligence Analytics**  
 Driven by proprietary technology of Accenture, which creates an insightful decision support system for senior management to make strategic and operational business decisions

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**Darwin Box**  
 A comprehensive and intuitive cloud-based human resource management system, with a proven track record of enhancing employee engagement and productivity

- **Business Intelligence Analytics** - Driven by proprietary technology of Accenture, targeted at building a strong decision support system for senior and middle management. The first objective of the project is to leverage the vast repository of business data being collected every day, transform it into visual dashboards and help us generate actionable insights to enable better decision making. As the software goes through its learning process, we will start harnessing the power of predictive analytics in order to be able to model the outcomes of various potential actions. We expect this tool to enable better strategic and operational decision making across the entire range of functions spanning our business. In the first leg of this project, we have implemented dashboards featuring more than 500 KPIs across all important functional areas of the organization.

- **Darwin Box** - An end-to-end and intuitive human resource management system hosted on the cloud, which has the potential to unify the entire employee lifecycle on to a single platform. The platform enables improved employee engagement and collaboration and aids management decision making with potent analytics. This results in improved efficiency and productivity of field and remote-working personnel. The system has several features including recruitment and on-boarding management, timesheet management, and performance and compensation management along with the facility to manage other routine HR functions. The platforms also enables employees to seek 360 degree feedback resulting in improved performance.

We have successfully deployed an On-premise Disaster Recovery solution which ensures the minimization of data loss and business disruption resulting from catastrophic events.

Our IT platform was instrumental in achieving a seamless transition to work-from-home environment with minimal disruption to operations. We are committed to increase our investments in technology in the years to come, to continue making our business operations more efficient, effective and resilient.

## OUR PEOPLE

### TREASURING TALENT AND BECOMING THE EMPLOYER OF CHOICE

We at Eris are a large family of passionate, empowered, high-energy and result-oriented individuals. We take pride in what we have accomplished in just little over a decade, and that we continue to rank among the fastest growing companies in the industry. However more than anything else, we are driven by our shared vision of improving health outcomes through our patient centric approach.

None of this would have been possible without the talent at Eris that has fuelled its meteoric rise. We have a work environment that is fun, exciting and challenging, with the ultimate objective of nurturing and enabling our people realise their true potential. Our culture reflects our core values of patient centricity, active listening, tenacity, empowerment and integrity; these have been the core catalysts in our transformational journey since inception.

Talent management at Eris is about attracting the best talent, and grooming it for sustained success in all walks of life through professional development and opportunities for job enrichment. Towards this, the Human Resources function goes beyond the business-partner role and assumes the role of a business-enabler. From our policies to practices, our human resources management reflects a mix of the contemporary and the futuristic, thereby striving to keep Eris ahead of the curve. Our various employee engagement initiatives ensure that our workplace is as vibrant as our diverse backgrounds. We celebrate each day as we strive to perfect our work-life balance. Eris firmly believes that human capital is its most valuable asset. As the company gears up to drive growth to the next level, a talented and committed workforce will be the key catalyst in the process. To support this, Eris continues to enhance its management capabilities and train its employees to make them future-ready and develop a highly engaged and motivated workforce.

We have a strong team of 4,000+ Erisians working in our offices, our manufacturing plant and the field.

4,058

Employees

2,476

Medical Representatives

1,041

Field Managers

258

Manufacturing

78

Sales and Marketing

37

Intellectual Property & Research

168

Others

We have stepped up our technology investments in order to make a seamless transition to the “Work from Anywhere” era. The entire field force is equipped with iPads along with built-in applications in order to improve the effectiveness of doctor interactions and brand promotions. This complete digitization of the field force ensured that even during the nation-wide lockdown and the subsequent regional lockdowns, our field force was able to stay digitally connected with Doctors through video calls, video conferences etc.

Our Human Resource team conducts several training and development programmes to enhance the capabilities of our people.




Launched in March 2020, this digital platform connects the entire field force of Eris on a single platform, thereby keeping them abreast of all significant organisational developments and communication. During the year, we added two new programs to the scope.



#### New Joinee Induction Program (NJIP)

A programme where the reporting managers conduct induction of New BEs within a time span of six days and participants have to complete activities pertaining to doctor visits, HQ visits and appear for a quiz of their respective brands



**My Voice**

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A platform where employees can voice their grievances which are directed to the Heads of HR and other relevant functions.

## e-Aagman

A web based learning platform, where we connect with our new joinees and enable interactive learning. During the year, over 300 employees participated in the program.

### ENGAGEMENT INITIATIVES

At Eris, we strive to enable our employees to pursue their passion while excelling at work. We organized a number of employee engagement activities at the corporate and plant levels in order to maximise alignment of employee values with those of the company. Examples of such events include Patient Care Champions, Erinovation (in celebration of Eris Day) and a Talent Hunt for field force.

We also take the time out to celebrate small moments of happiness with our employees and their families like job confirmations, promotions, new-borns in the family and festive occasions.



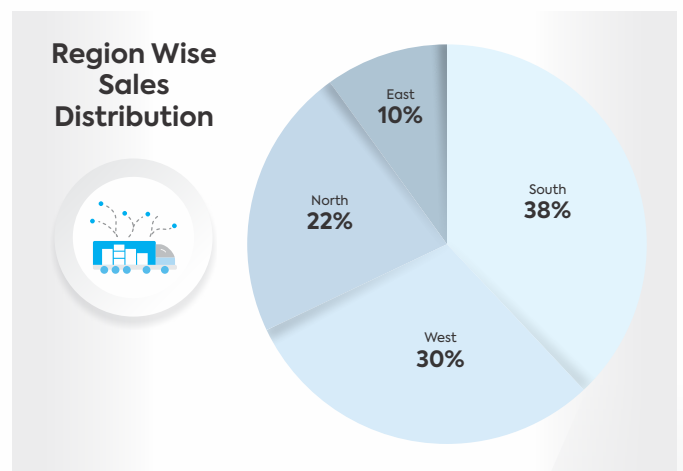
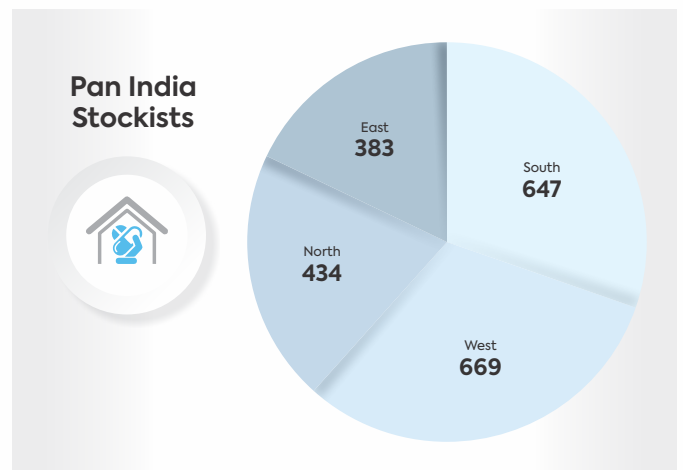
## OUR DISTRIBUTION NETWORK

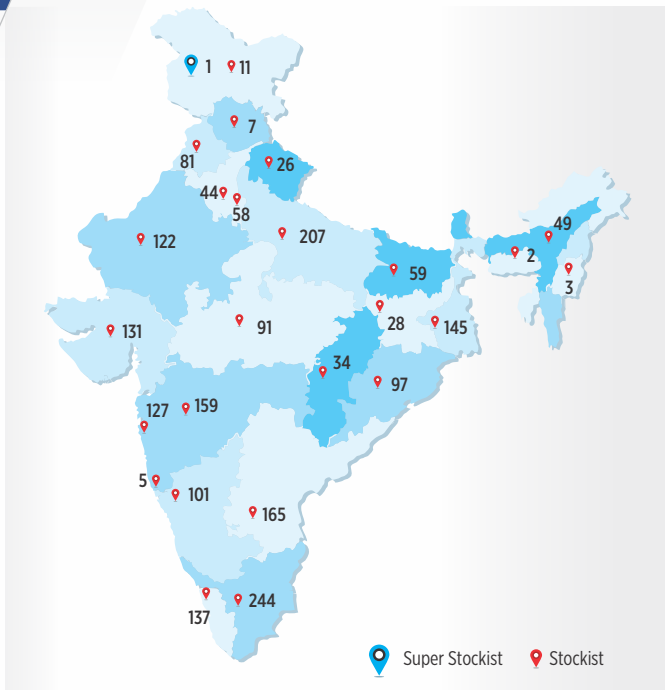
### PAN-INDIA SALES AND DISTRIBUTION PRESENCE

During the year, we continued to aggressively pursue our strategy to effectively manage our stockist network. The emphasis was on deepening our presence in existing markets and penetrating into newer geographies across India.

Our comprehensive pan-India distribution network of 23 Sales depots, 2,133 Stockists and more than 5,00,000 chemists ensures timely and efficient distribution of our products across all relevant retail counters in the country.

Our supply chain team continues to demonstrate significant resilience by keeping the flow of life-saving critical medicines intact throughout the country, in the face of difficult times induced by the pandemic. The cornerstones of our supply chain operation are flexibility, reliability and efficiency.





## OUR MANUFACTURING INFRASTRUCTURE

Our state-of-the-art manufacturing facility at Guwahati, Assam accounted for 74% of all products sold (by value) in FY21. As our Guwahati facility continued its operations in order to support the nation with a supply of essential medicines, we implemented rigorous protocols with regards to social distancing and a phased return-to-work policy. An exhaustive review is undertaken periodically to improve our manufacturing processes and enhance efficiencies. The facility is home to the manufacture of organically-developed products as well as most of our acquired products including Zomelis, Renerve capsules and other products from the Strides portfolio.

**74% of revenues from products manufactured at Guwahati in FY21**

**345+ Products manufactured**

State-of-the-art manufacturing facility in Guwahati, Assam

1 Lakh sq ft built-up area

Our manufacturing facility is eligible to avail of certain tax incentives including income tax exemption till FY 24 and GST subsidies until FY25

WHO GMP guidelines compliant

### Capacity Utilization for Prescription Products

Products	Capacity (in mn units)*	Output (in mn units)	Capacity Utilisation
Tablets	2000	1130	57%
Capsules	200	80	40%
Sachets	40	1	2.5%
Soft Gel Tablets	50	47	94%

### Capacity Utilization for Supplements and Nutraceuticals

Products	Capacity (in mn units)*	Output (in mn units)	Capacity Utilisation
Tablets	66	7	11%
Capsules	46	21	46%
Sachets	2	-	-

\*Installed Capacity based on two shifts per day

## ENVIRONMENT, SAFETY AND SOCIAL RESPONSIBILITY



We continue to prioritise our policy of energy conservation across the company. The following energy conservation measures were implemented at our Guwahati manufacturing facility during the financial year, which resulted in a saving of ~ 70,000 units per month:

- Optimisation of compressed air generation process
- Insulation of hot water tanks/ steam lines to prevent energy loss
- Ensuring periodic preventive maintenance activities of all systems like HVAC, plant and utility equipment to ensure energy efficiency

- Ensuring operational efficiency of electronic equipment and appliances through periodic servicing; use of energy efficient lighting options like LED bulbs and turning off lights in the No-Man area

Our waste management strategy entails at-source waste minimization, segregation and pre-processing before safe disposal by handing over to a PCB-approved agency for co-processing/disposal. Our Guwahati manufacturing facility deploys an effluent treatment plant with Zero Liquid Discharge (ZLD) treatment process. This process has been designed to manage wastewater economically and produce clean water suitable for reuse in gardening, cooling towers and in washrooms. The plant processed an average of ~ 20,000 litres of effluent per day during the last financial year.

We also take care to optimise our water consumption through the following strategies:

- Installing flow meters for regular monitoring of consumption of water
- Recharging of ground water source / bore-well by surrounding it with a green belt and through rain water harvesting

We continue to promote several initiatives towards ensuring employee health and safety. Strict adherence to safety protocols mean that we have had zero accidents at our Guwahati facility since inception. Some of the key health and safety measures undertaken by us are as follows:

- Conducting frequent risk assessments and regular checks to ensure safety of employees
- Identifying potential safety hazards and undertaking the required procedures to mitigate risks related to such hazards
- Providing practical training on fire and first aid by professional experts
- Providing on-the-job training by in-house experts
- Celebrating Safety Week every year to promote awareness on the importance of safety procedures
- Conducting regular medical check-ups for all employees

- Arranging safety kits, PPEs, Covid testing and treatment for employees during the pandemic

It has always been our endeavour to build a strong and amicable engagement with the local community around our manufacturing facility, with the objective of working towards their welfare. We conducted several social welfare activities during the year:

- Donated funds to the Zila Sainik Welfare Office for the welfare of families of servicemen and ex-Servicemen
- Donated funds to the Assam Arogya Nidhi Fund for the welfare of BPL families
- Donated funds to the War Widow Fund
- Provided flood relief in the form of food and clothing to affected population
- Distributed food rations during the pandemic
- Conducted eye check-up camps for the local community

## FINANCIAL REVIEW

### Financial Highlights

Summary Consolidated Income statement

Particulars (INR million)	FY 20	FY 21	Growth %
Revenue from Operations	10,741	12,119	12.8%
Gross Profit	9,025	9,736	7.9%
EBITDA	3,684	4,306	16.9%
EBIT	3,181	3,876	21.8%
Profit Before Tax	3,314	3,945	19.1%
Profit After Tax	2,965	3,551	19.8%
Earnings per share (INR)	21.61	26.16	21.0%

Summary Standalone Income statement

Particulars (INR million)	FY 20	FY 21	Growth %
Revenue from Operations	10,202	11,088	8.7%
Gross Profit	8,559	9,103	6.4%
EBITDA	3,556	4,173	17.4%
EBIT	3,107	3,797	22.2%
Profit Before Tax	3,236	3,889	20.2%
Profit After Tax	2,913	3,506	20.4%



## Revenue from Operations

For the year under review, the Company's consolidated Revenue from Operations increased by 12.8% to INR 12,119 mn from INR 10,741 mn in FY 20.

The growth in the standalone operations, which represent the branded formulation business of Eris, is a testimony of our strong and consistent focus on building resilient brands in the chronic and sub chronic therapies. The AIOCD AWACS analysis shows that Eris is growing at more than twice (2.1x) of its covered market and thrice (3x) as the IPM. Our Trade Generics, OTC and Medical Devices segments also contributed to the consolidated growth.

As per AIOCD, our cardio-metabolic segment (which contributes 59% to our revenue), grew 9.7% yoy in FY 21, marginally outperforming its covered market which grew by 9.4% yoy. The Vitamins, Minerals and Nutrients (VMN) segment (20% of our revenue) grew by 14.8% yoy, outperforming significantly its covered market which grew by 8.6% yoy. Our Top-15 mother brands, which contribute nearly 80% of our revenue, grew by 8.9% yoy. 7 out of these Top 15 brands outgrew their markets.

**Gross Profit:** Our new product launches acquired strong momentum in FY21. As may be expected, these new products, until they ramp up to a reasonable scale, bring with them an increased cost of goods sold. Owing to the higher incidence of new products in our revenue mix, our consolidated gross margin decreased from 84.0% in FY20 to 80.3% in FY21. The standalone gross margin (branded formulations) decreased from 83.9% in FY20 to 82.1% in FY21. We expect the gross margins of new products to ramp up starting next quarter as the new products scale up, and we start realising volume benefits in procurement and manufacturing.

**Employee Expenses:** Our employee expenses as a ratio of operating revenues remained in line with the previous year as we continue to reap benefits of people investments made in earlier years. We realised substantial productivity gains in our standalone operations (branded formulations business) as the YPM (Yield per Man per Month) for FY21 increased by ~ 15% to INR 4.5 lakh per month, up from INR 3.9 lakh per month in FY20.

**Other Expenses:** Standalone other expenses as a percentage of revenue witnessed a reduction of 445 bps during the year on account of higher field-force productivity, and the shift of promotional activities to digital platforms. We also witnessed a reduction in our consolidated other expenses (as a percentage of revenue).

**Earnings before Depreciation, Amortisation, Interest and Taxes (EBITDA):** As a result of the said factors, the standalone EBIDTA margin increased to 37.6% in FY21 from 34.9% in FY20 and the consolidated EBIDTA margin increased to 35.5% in FY21 from 34.3% in FY20. We continue to remain among the highest EBIDTA-margin companies in our industry.

**Profit Before Tax (PBT):** Consolidated PBT grew by 19.1% to INR 3,945 mn from INR 3,314 mn in FY 20.

**Tax Expenses:** Our effective tax rate declined slightly to 10.0% in FY21 from 10.5% in FY20 as we continue to enjoy tax exemption at our Guwahati manufacturing facility which catered to 74% of our standalone revenue.

**Profit After Tax (PAT):** Consolidated Profit after Tax for the year at INR 3,551.4 mn witnessed a 19.8% yoy growth and standalone Profit after Tax for the year at INR 3,506 mn witnessed a 20.4% growth.

**Cashflows:** We continue to remain among the highest cash-flow generating businesses in our industry. Operating cashflow (OCF) to EBITDA ratio in FY21 stood at 87%, and Free Cashflow (FCF) to EBITDA ratio stood at 81%. We continue to remain a debt-free company.

**Working Capital:** We managed to tighten our working capital management despite all the pandemic-related headwinds. Our core working capital (inventory, debtors and payables) in the standalone business decreased to 30 days of operating revenue in FY 21 from 42 days of operating revenue in FY 20. We reduced our Debtor turnover days in the standalone operations from 50 days of operating revenue in FY 20 down to 37 days of operating revenue in FY 21. We continue to make efforts to optimise our working capital requirements as we move forward.



### Key Financial Ratios – Consolidated

Ratio	FY 20	FY 21	Variance
<b>Profitability Margin ratios</b>			
Gross Margin	84.0%	80.3%	(369) bps
EBITDA Margin	34.3%	35.5%	123 bps
EBIT Margin	29.6%	32.0%	236 bps
PAT Margin	27.6%	29.3%	170 bps
<b>Return ratios</b>			
Return on Invested Capital (ex treasury investments and cash & cash equivalents)	29.8%	33.5%	371 bps
Return on net worth (RoE) (ex treasury investments and cash & cash equivalents)	30.3%	30.7%	43 bps
<b>Working capital ratios</b>			
Net Working Capital days	59	51	(13.2%)
Debtors days	53	42	(20.6%)
Inventory days	24	28	20.5%
<b>Gearing ratios</b>			
Interest coverage ratio	147	215	46.2%
Debt/Equity ratio	0	0	
<b>Liquidity ratios</b>			
Current ratio	2.9	2.8	(3.9%)
Current Assets	4,796	4,670	(2.6%)
Current Liabilities	1,647	1,669	1.4%

### Key Financial Ratios – Standalone

Ratio	FY 20	FY 21	Variance
<b>Profitability Margin ratios</b>			
Gross Margin	83.9%	82.1%	(179) bps
EBITDA Margin	34.9%	37.6%	278 bps
EBIT Margin	30.5%	34.2%	379 bps
PAT Margin	28.5%	31.6%	307 bps
<b>Return ratio</b>			
Return on Invested Capital (ex treasury investments and cash & cash equivalents)	37.4%	41.2%	378 bps

Ratio	FY 20	FY 21	Variance
<b>Working capital ratios</b>			
Net Working Capital days	58	51	(11.9%)
Debtors days	50	37	(25.7%)
Inventory days	23	21	(8.9%)
<b>Gearing ratios</b>			
Interest coverage ratio	168	488	191.2%
Debt/Equity ratio	0.0	0.0	
<b>Liquidity ratios</b>			
Current ratio	3.0	2.9	(2.5%)
Current Assets	4,496	4,236	(5.8%)
Current Liabilities	1,494	1,445	(3.3%)

## INTERNAL CONTROL SYSTEMS & ADEQUACY

The internal financial controls (IFC) framework institutionalised in Eris Lifesciences has been evaluated in-depth for its adequacy and operating effectiveness, wherein the company has covered financial reporting controls, operating controls, compliance related controls and also Information Technology (IT) controls, comprising of IT general controls (ITGC) and application level controls. The company has aligned IFC framework in line with the requirements of Companies Act 2013, on the lines of the globally accepted risk-based framework.

The management is committed to ensure an effective internal control environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations and protection of resources and assets.

These are routinely tested and certified by Statutory as well as Internal Auditors and cover all offices, factories and key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

## RISK AND RISK MITIGATION

The company has a Risk Management Committee of the board which is entrusted with the responsibility of overseeing various strategic, operational, compliance and financial risks the organisation faces. The Risk Management Committee reviews and addresses the risks on periodic basis.

The company has a robust risk management framework to identify, monitor, mitigate and minimise risks. The company is continuously monitoring and adapting the risk management framework to address the new challenges raised by the global pandemic of Covid-19. The company defines and addresses risks majorly in following categories:

**Strategic Risks** are uncertainties impacting strategic goals of the Company and these risks arise due to key decisions taken by the management with respect to new markets, product & process development, resources, business growth & revenue model, M&A, industry changes, investment model, natural disasters, etc. which can impact business objectives.

**Operational Risks** are attributable to the efficient and effective utilization of resources. It covers risks related to gaps in existing processes which could make the function/process weak and vulnerable to exploitation, which could have an adverse impact on the business. The gaps could be related to production capacities, quality assurance, customer demands, material availability, human safety, etc.

**Compliance risks** arise out of non-compliance with applicable laws, regulations, standards and policies which could impact the Company's reputation and business.

**Financial risks** include uncertainties and untapped opportunities in effective and efficient utilization of financial resources as well as uncertainties in currency fluctuations, liquidity & funding, capital management and credit risk. These risks could have an impact on the Company's financial statements and the transmission of accurate financial information to stakeholders.

**Economic and Political Risks** are the risks impacted by the various macro-economic factors and economic developments which have an adverse effect not only on the industry, but also the company as a whole. Any change in Government or a change in the economic and deregulation policies could adversely affect the economic conditions prevalent in the areas in which the company operates. These factors could depress economic activities and restrict its access to capital, which could have an adverse effect on its operations.

**Regulatory Risks:** The industry is subject to extensive regulations and any failure to comply with the applicable regulations prescribed by the central, state governments and regulatory agencies or failure to obtain or renew any licences and permits, could impact our business. The company maintains a strict vigil on the quality standards through a robust quality assurance framework. Regular monitoring of all the products, manufacturing and supply chain processes, enable the company to maintain high quality standards on one hand, while securing conformity with regulatory norms on the other. The Risk Committee of the Company reviews the regulatory changes and identifies the potential new risks and its impact and plans the remediation plan.

**Competition Risk:** The industry is a highly competitive one, with presence of several major players. As a result of this, products face intense competition in various therapeutic areas. In order to mitigate the risks arising out of competition, the company has developed capabilities in the commercialisation of pharmaceutical products including sales, marketing, quality assurance, distribution, compliance and other regulatory aspects. The Company's capabilities are further enhanced with the presence of multiple sales division that focus on developing and growing its industry engagement.

## OUTLOOK

### STRENGTHS AND OPPORTUNITIES

**Strong brands:** The Company continues to focus on maintaining the strength of its brand portfolio; the Top 15 Mother Brands contribute 78% of its revenue and are well placed in their segments and poised for further future growth.

**Leading prescription ranks:** The Company’s strong portfolio of Mother Brands has witnessed improvement over the years and enjoys leading prescription ranks with their respective specialties. In the prescription market, the Company holds a dominant position in key specialty areas such as diabetologists, cardiologists, neurologists, gastroenterologists and Consulting Physicians. Prescription ranks, implying the growth in new prescriptions, are a leading indicator of growth.

**Prescription ranking among super specialists:**

Diabetologists	<b>3rd</b>
Cardiologists	<b>4th</b>
Neurologists	<b>3rd</b>
Gastroenterologists	<b>3rd</b>
Consulting Physicians	<b>6th</b>

Source: SMSRC MAT Feb'21

**Patient care initiatives:** Our unique Patient care initiatives approach to doctor engagement leads to a professional and science backed customer relationship which apart from helping the healthcare community manage the disease burden, create immense brand equity for the Company.

**Strong balance sheet:** The Company enjoys a debt free status and has consistently generated profits and strong cash flows. The Company follows strong return discipline in capital allocation decisions which has helped in having a strong balance sheet with superior returns on invested capital and net worth for the benefit of shareholders.

**Operating efficiency:** The yield per man (YPM) for the Company has potential of scaling up to industry leading numbers. With improvement in the YPM metric margin efficiency also improves.

**Operating leverage:** The manufacturing facility in Guwahati, Assam currently operating at ≈55% capacity utilisation on a two shift basis is capable of being scaled up to triple shift basis. The unutilised capacity will provide operating leverage benefit to the Company as sales of the products manufactured from the facility increases.

**Demographic tailwinds:** Overall healthcare spending in India is expected to rise due to rise in population,

consistent economic development and rapid urbanisation, improved affordability, high real GDP growth rate and improving GDP per capita rising healthcare awareness among the masses and greater demand for insurance coverage, boosted by government and private insurer initiatives.

**Increased lifestyle related diseases:** Increasingly sedentary lifestyle, changing consumption patterns and rapid urbanization has led to a widespread rise in chronic ailments. As the market and economy mature, India is expected to see a higher share of chronic diseases in line with other emerging and most developed nations.

**Health Insurance coverage:** Greater demand for insurance coverage, boosted by government and private insurer initiatives will help drive the expansion of healthcare services and pharmaceuticals market in India.

**Rising healthcare awareness:** Enabled by rising medical information portals and healthcare start-ups, patients are becoming more aware of diseases and preventive therapies/medicines.

**Increase in government health expenditure:** The government has plans of increasing focus on healthcare, doubling its share of expenditure as a % of GDP by 2025.

**THREATS, RISKS AND CONCERNS**

**Pandemic-like Situation:** The outbreak of the COVID-19 like pandemic across the world and subsequent disruption in economic activities apart from impacting GDP across countries also causes various disruptions which impacts demand of pharmaceutical products.

**Regulatory Overhang:** The Drug Price Control (Amendment) Order limits price increases in schedule drugs mentioned in the National List of Essential Medicines (NLEM). While it has been observed that competitive forces in the market have been more effective in controlling prices, amendments in the list will continue to pose challenges for the industry. As on 31st March 2021, 7% of the Company’s revenue were from drugs scheduled in the NLEM (vs. 17% for the Indian PharmaMarket).

## GOING AHEAD

With sharp recovery expected in Indian economy and more focus on healthcare after COVID-19 pandemic domestic pharmaceutical market is expected to grow significantly. Eris's strong current portfolio will further reap benefits of investments in promotions in last couple of years. While the existing business remains the main engine of growth for the Company, in-licensing, exploring newer therapeutic areas and future patent expiries are some areas that it is exploring. In-licensing of products also remains an exciting opportunity for the Company. It is aggressively looking at entering into partnerships with national and international entities to leverage its sales and marketing, distribution and manufacturing facilities. The Company has also identified various key products whose patents expire in the near future. Productivity is also expected to improve further with further expansion in doctor reach.

The Company is confident to continue to outperform in core therapies as a result of super speciality focus, strong power brands, presence in fast growing molecules and adaptability and resilience of the business model.

## SAFE HARBOUR AND CAUTIONARY STATEMENT

Statement in this "Management Discussion and Analysis" describing the Company's objectives, projections, estimates or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

Important factors that could make a difference to the Company's operations include our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, technological changes, changes in the value of the Rupee and other currency changes, changes in the Indian and international interest rates, allocations of funds by the Governments in the healthcare sector, increasing competition and the conditions of our customers, suppliers and the pharmaceutical industry, global and Indian demand-supply conditions finished goods prices, cyclical demand and pricing in the Company's

principal markets, changes in government laws and regulations, tax regimes, our provisioning policies, economic and political developments within India and the countries within which the Company conducts businesses and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent development, information or events or otherwise.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

- **Mr. Amit Bakshi**  
Chairperson & Managing Director
- **Mr. Krishnakumar Vaidyanathan**  
Executive Director & COO
- **Mr. Inderjeet Singh Negi**  
Executive Director
- **Mr. Kaushal Shah**  
Executive Director
- **Mrs. Vijaya Sampath**  
Independent Director
- **Ms. Kalpana Unadkat**  
Independent Director
- **Mr. Prashant Gupta**  
Independent Director
- **Mr. Rajeev Dalal**  
Independent Director

## AUDIT COMMITTEE

- **Mrs. Vijaya Sampath**  
Chairperson
- **Ms. Kalpana Unadkat**  
Member
- **Mr. Prashant Gupta**  
Member
- **Mr. Krishnakumar Vaidyanathan**  
Member

## BANKERS

- **AXIS Bank Limited**
- **HDFC Bank Limited**
- **State Bank of India**

## CHIEF FINANCIAL OFFICER

- **Mr. Sachin Shah**

## COMPANY SECRETARY

- **Mr. Milind Talegaonkar**

## STATUTORY AUDITORS

- **M/s. Deloitte Haskins & Sells LLP**

## INTERNAL AUDITORS

- **M/s. Agrawal Dhand Motwani & Co.**

## COST AUDITORS

- **M/s. Kiran J Mehta & Co.**

## SECRETARIAL AUDITORS

- **M/s Ravi Kapoor & Associates**

## REGISTERED OFFICE

- 8th Floor, Commerce House-IV, Prahladnagar,  
Ahmedabad-380 015, Gujarat, India

## MANUFACTURING FACILITY

- Plot Nos. 30 and 31, Brahmaputra Industrial Park,  
Under Mouza-Sila, Senduri Ghopa, Amingaon,  
North Guwahati, Guwahati 781 031 Assam, India

## REGISTRAR & SHARE TRANSFER AGENT

- Link Intime India Private Limited C - 101,  
247 Park, L.B.S. Marg, Vikhroli (West),  
Mumbai - 400 083

## BOARD OF DIRECTORS



### MR. AMIT BAKSHI

CHAIRMAN AND MANAGING DIRECTOR

Mr. Amit Bakshi has been on the Board of Eris since inception and serves as Chairman and Managing Director. He has over two decades of experience in the Indian pharmaceutical industry across multiple Indian and MNC pharmaceutical companies. He takes responsibility for setting the strategic direction for Eris as well as maintaining high governance standards. He oversees the company's business with special focus on enhancing patient engagement and architecting total healthcare solutions. Mr. Bakshi has been recognized as 'Entrepreneur of the Year, 2013' by Ernst & Young LLP.



### MR. KRISHNAKUMAR VAIDYANATHAN

EXECUTIVE DIRECTOR & CHIEF OPERATING OFFICER

Mr. Krishnakumar in his role as Chief Operating Officer oversees the business operations of the company. He has over two decades of professional experience across Lifesciences, Corporate Finance and Management Consulting. His core areas of expertise include Strategic Planning, Business Building, Mergers & Acquisitions, Corporate Finance and Operational Excellence. Prior to joining Eris, Mr. Krishnakumar was a Corporate Finance Partner with Ernst & Young LLP for 9 years. Prior to Ernst & Young, Krishnakumar has worked with Avendus Capital, Piramal Pharma Solutions and McKinsey & Company. Mr. Krishnakumar holds an MBA in Finance from IIM Calcutta and a B.Tech from VJTI, Bombay University.



### MR. INDERJEET SINGH NEGI

EXECUTIVE DIRECTOR

Mr. Inderjeet Singh Negi has been on the Board of Eris since inception and serves in the capacity of Executive Director. He is responsible for driving supply chain and sales administration in line with the overall strategic direction of the company. Mr. Negi has worked with several pharmaceutical companies including Sun Pharma and Intas Pharma in various capacities and has more than 20 years' cumulative professional experience. Mr. Negi is a science graduate from HNB Garhwal university.



### MR. KAUSHAL KAMLESH SHAH

EXECUTIVE DIRECTOR

Mr. Kaushal Kamlesh Shah has been associated with Eris since inception and serves in the capacity of Executive Director. He is responsible for driving manufacturing, strategic sourcing and distribution operations. He has 22 years' experience in the pharmaceutical industry. Mr. Shah holds a bachelor's degree in commerce from Gujarat University and a post graduate diploma in management from Som-Lalit Institute of Management Studies.





**MRS. VIJAYA SAMPATH**

INDEPENDENT DIRECTOR

Mrs. Vijaya Sampath is an Independent Director at Eris. She brings 38 years of experience in the legal profession and is proficient in corporate law, joint ventures, mergers and acquisitions and commercial contracts. Ms. Sampath has previously worked with the Indian Aluminium Company. She was also associated with Bharti Airtel Limited for eight years as Group General Counsel and Company Secretary. She holds a bachelor's degree in Arts from Madras University and a law degree from Mysore University. She is also a fellow member of the Institute of Company Secretaries of India. She has attended the Advanced Management Program of Harvard Business School, USA and a program on Managing Strategic Alliances conducted by the Wharton School, University of Pennsylvania, USA.



**MS. KALPANA UNADKAT**

INDEPENDENT DIRECTOR

Ms. Kalpana Unadkat is an Independent Director at Eris. She is a qualified Solicitor registered with the Bombay Incorporated Law Society and the Law Society of England & Wales. She brings over two decades of legal experience and is presently a Partner with Khaitan & Co. Prior to Khaitan & Co., Ms. Unadkat spent 10 years with the London offices of Ashurst LLP. She is a well-recognised expert on M&A and Corporate Governance principles. She also advises on board effectiveness, particularly around issues of corporate governance, leadership, organisational climate, and decision-making. In this regard, she has led several workshops and trained more than 300 directors with a comprehensive approach to director development. She is also an independent director on the board of public companies (listed and unlisted). She is a co-author of the research "Women on Board" and has been frequently quoted in the media on corporate governance and M&A deals in India.



**MR. PRASHANT GUPTA**

INDEPENDENT DIRECTOR

Mr. Prashant Gupta, is an Independent Director at Eris. He is a Partner in the corporate law department of Shardul Amarchand Mangaldas & Co. Mr. Gupta has been recognized by Who's Who Legal, Chambers Asia, Indian Lawyer 250, Legal500 and other leading industry publications as one of the leading capital markets practitioners in India. He was selected by the Indian Business Law Journal as one of the top 100 lawyers in India in 2016 and 2017. Mr. Gupta received his Bachelor of Arts and Master of Arts in Jurisprudence from the University of Oxford, England, and a Bachelor's degree in Commerce from the Shri Ram College of Commerce, University of Delhi. He is member of the Bar Council of Delhi and State Bar of California.



**MR. RAJEEV DALAL**

INDEPENDENT DIRECTOR

Mr. Rajeev Dalal is an Independent Director at Eris. He brings over 35 years of experience in corporate finance covering 100+ M&A (domestic and cross border) transactions and Private Equity deals in sectors such as Pharma, Chemicals, FMCG, Metals & Mining, Industrials and Financial Services. Mr. Dalal was a corporate finance Partner at Ernst & Young LLP since 2002, consequent to the merger of Arthur Andersen with Ernst Young in India. Prior to that in 1990, Rajeev co-founded Ind Global Finance Trust (IGFT), which was acquired by Arthur Andersen in the year 2000. Prior to co-founding IGFT, Rajeev worked with HSBC and JM Financial in their investment banking divisions. Mr. Dalal is a member of the Institute of Company Secretaries of India. He is also a Law and Commerce Graduate from Bombay University.



# DIRECTORS' REPORT

## Dear Members,

The Board of Directors have pleasure in presenting their 5th Annual Report (Post – IPO) on the business and operations of the Company together with the Audited Financial Statements (standalone and consolidated) for the year ended March 31, 2021.

### 1. FINANCIAL RESULTS:

During the year under review, the performance of your Company was as under:

(₹. In Million)

Particulars	Standalone		Consolidated	
	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2021	Year ended 31st March, 2020
Revenue from Operations	11,088.34	10,202.31	12,118.63	10,740.59
Other Income	99.98	147.28	87.08	153.96
Total Revenue	11,188.32	10,349.59	12,205.71	10,894.55
Operating EBITDA	4,173.14	3,556.00	4,305.76	3,683.74
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	4,273.12	3,703.28	4,392.84	3,837.70
Less: Depreciation/ Amortisation/ Impairment	376.40	448.82	429.85	502.58
Profit /loss before Finance Costs, Exceptional items and Tax Expense	3896.72	3,254.46	3,962.99	3,335.12
Less: Finance Costs	7.78	18.54	18.02	21.62
Profit /loss before Exceptional items and Tax Expense	3,888.94	3,235.92	3,944.97	3,313.50
Add/(less): Exceptional items	0	0	0	0
<b>Profit/(Loss) before taxation</b>	<b>3,888.94</b>	<b>3,235.92</b>	<b>3,944.97</b>	<b>3,313.50</b>
Less : Tax Expenses (Current & Deferred)	382.89	323.18	393.62	348.43
Profit /loss for the year	3,506.05	2,912.74	3,551.35	2,965.07
<b>Profit after tax before share of profit/(loss) of minority interest</b>	<b>3,506.05</b>	<b>2,912.74</b>	<b>3,551.35</b>	<b>2,965.07</b>
Share of profit/(loss) attributable to Minority Interest	0	0	0	0.10
<b>Profit for the year attributable to the shareholders of the company</b>	<b>3,506.05</b>	<b>2,912.74</b>	<b>3,551.35</b>	<b>2,964.97</b>
Other Comprehensive Income/(Loss)	(12.80)	(11.71)	(14.89)	(12.18)
Total Comprehensive Income/Loss	3,493.25	2,901.03	3,536.46	2,952.89
Owners of the company	3,493.25	2,901.03	3,536.46	2,952.79
Add : Balance B/F from the previous year	12,830.93	11,390.11	12,713.46	11,335.22
Less: Transfer to Debenture Redemption Reserve, If any	0	0	0	0
Less: Transfer to Reserves	0	0	0	(83.82)
Less: Interim dividend	(746.79)	(469.79)	(746.79)	(469.79)
Less: Utilised for buy back of shares	0	(990.42)	0	(990.42)
Add: Acquisition of Minority stake	0	0	0	(30.52)
<b>Balance Profit / (Loss) C/F to the next year</b>	<b>15,577.39</b>	<b>12,830.93</b>	<b>15,503.13</b>	<b>12,713.46</b>

**2. STATE OF AFFAIRS (Standalone):**

- The gross sales and other incomes for the financial year under review was Rs. 11,188.32 million as against Rs. 10,349.59 million in the previous year, recording a growth of 8.10 %.
- The profit before tax was Rs. 3,888.94 million for the financial year under review as against Rs. 3,235.92 million for the previous financial year, registering an increase of 20.18 %.
- The profit after tax for the financial year under review was Rs. 3,506.05 million as against Rs. 2,912.74 million for the previous financial year, registering an increase of 20.37 %.

**3. DIVIDEND:**

During the year under review, the company had paid Rs. 5.50 per equity share as interim dividend for the Financial Year 2020-21. No Final dividend was recommended by the Board of directors (during the previous year the company had paid Rs. 2.87 per equity share as interim dividend with no final dividend).

The Company has adopted the Dividend Distribution Policy and the said policy appears at “Annexure 1” and is also available on the website of the Company at <http://eris.co.in/policies>.

**4. CAPITAL EXPENDITURE (Standalone):**

As on March 31st, 2021, the gross fixed assets (tangible and intangible) stood at Rs. 7,168.75 million (previous year Rs. 6,956.52 million) and the net fixed assets (tangible and intangible), at Rs. 5,843.23 million (previous year Rs. 6,006.40 million). Capital expenditure during the year amounted to Rs. 256.16 million (previous year Rs. 1,487.21 million). During the year under review, the Company has not paid any amount for business acquisition / consolidation of holding (previous year Rs. 213.73 million).

**5. AMOUNT TO BE CARRIED TO RESERVES:**

The Company has not transferred any amount to the reserves during the year under review. (previous year: Rs. 1.74 Million on account of Buy Back of securities)

**6. CHANGES IN CAPITAL STRUCTURE:**

There is no change in the capital structure of the Company during the year under review.

**7. STATUTORY AUDITORS:**

M/s. Deloitte Haskins & Sells LLP, having Firm’s Registration No. 117366W/W-100018, Statutory Auditors of the Company, were appointed at the 10th Annual General Meeting (AGM) held on 25.10.2016 and will complete their present term at the end of the ensuing 15th AGM of the Company.

The Auditor’s Report for the financial year ended 31st March, 2021 does not contain any qualification, adverse remark, reservation or disclaimer and therefore, does not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

The Board of Directors, on the recommendation of the Audit Committee, in their meeting held on 13th May, 2021, have proposed the appointment of M/s. Deloitte Haskins & Sells LLP, having Firm’s Registration No. 117366W/W-100018 as the Statutory Auditors of the Company for the period of next 4 years, subject to approval of the Shareholders at the ensuing Annual General Meeting.

**8. COST AUDITORS:**

M/s Kiran J Mehta & Co., Cost Accountants have been duly reappointed as the Cost Auditors for the financial year 2021-22. The cost records as specified by the central government under subsection (1) of section 148 of the Companies Act, 2013, are made and maintained by the Company.

**9. SECRETARIAL AUDIT REPORT:**

M/s. Ravi Kapoor & Associates, Practicing Company Secretaries, Ahmedabad have been duly re-appointed as the Secretarial Auditor of the Company for the financial year 2021-22. The Secretarial Audit Report for the financial year 2020-21 appears at “Annexure 2” to this report. The board desires to explain that a delay of eleven days in the submission of disclosure of Related party transactions on Consolidated basis for the quarter ended 30th September, 2020, as required under Regulation 23(9) of SEBI (Listing Obligation and Disclosure Requirements) Regulations Directors, as brought out in the Secretarial Audit Report occurred on account of prevailing pandemic conditions which delayed the gathering of applicable data, its verification, and eventual filing. The board desires to additionally explain the other observation in the Secretarial Auditors Report w.r.t the delay of 25 days in the making of appointment of Non-executive and Independent Directors of the Company. As the said compliance requires numerous steps aimed at finding meritorious persons who could do full justice to the role, your company conscientiously avoided undue rush in the matter so as to avoid the possibility of any wrong selections which could have been detrimental to the governance framework enshrined in the SEBI Listing Regulations and Company laws.

**10. INTERNAL FINANCIAL CONTROLS:**

The Company has in place adequate internal financial controls in order to ensure that the financial statements of the Company depict a true and fair position of the business of the Company. The Company continuously monitors and looks for possible gaps in its processes and it devices and adopts improved controls wherever necessary.

**11. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars as prescribed under Sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, appears at “Annexure 3” to this report.

**12. SUBSIDIARY COMPANIES/JOINT VENTURE/ ASSOCIATE COMPANY:**

As on March 31, 2021, the Company has (3) three wholly owned and (1) one other than wholly owned subsidiaries. The Board of Directors reviewed the affairs of all the subsidiaries.

During the year under review, two Companies namely Aprica Healthcare Limited and Eris Therapeutics Private Limited ceased to be subsidiaries of the Company. The details of the same are given in point no. 26.1 of the standalone financial statements.

Eris Healthcare Private Limited, wholly owned subsidiary of the Company, had incorporated a subsidiary company “Eris Pharmaceuticals Private Limited” on 2nd June, 2020.

The Company has formulated a policy for determining material subsidiaries. The Policy may be accessed at <http://eris.co.in/policies>.

**13. PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARY COMPANIES /JOINT VENTURE/ ASSOCIATE COMPANY:**

The Board has reviewed the affairs of its subsidiary companies. Pursuant to Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of the Company's subsidiaries/ joint ventures/ associate companies of the Company, bringing out the highlights of their performance, appears in Form AOC-1 at "Annexure 4" to this report. Details pertaining to the subsidiaries of the Company are provided in the notes to the Consolidated Financial Statements.

The Audited Financial Statements of Company's subsidiaries for the financial year ended 31st March, 2021 are available on the web link <https://eris.co.in/financial-statements-of-subsidiaries/> and the same are also available for inspection at the Registered Office of the Company as per the details mentioned in the notice of the 15th Annual General Meeting. Your Company will also make available these documents upon request by any Member of the Company interested in obtaining the same subject to compliance of the applicable provisions of the Companies Act, 2013.

**14. CONSOLIDATED FINANCIAL STATEMENTS:**

The Consolidated Financial Statements have been prepared pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 8(1) of the Companies (Accounts) Rules, 2014 as also the Indian Accounting Standards prescribed by the Institute of Chartered Accountants of India (ICAI), in this regard. The Consolidated Financial Statements have been prepared on the basis of audited financial statements of the Company and its subsidiaries as approved by their respective Board of Directors.

**15. ANNUAL RETURN (MGT-9):**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on 31st March, 2021 is available on the Company's website at <https://eris.co.in/> under Investor tab. Further, the extract of the Annual Return appears at "Annexure 5" to this Report.

**16. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

In compliance with the requirements of Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee.

The details of the CSR Committee composition, meetings and the attendance of the Members at the meetings along with other details appear in the Report on Corporate Governance which forms part of this Annual Report.

The annual report on CSR in the prescribed form appears at "Annexure 6" to this Report. The content of the CSR Policy is available on the website of the Company at <http://eris.co.in/policies>.

**17. MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management Discussion and Analysis Report, highlighting the important aspects of the business of the Company appears separately in the Annual Report.

**18. CORPORATE GOVERNANCE:**

The Company has complied with the Corporate Governance requirements under the Companies Act, 2013, and as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate report

on Corporate Governance and the Practicing Company Secretary's Certificate confirming compliances thereof appears at "Annexure 7" to this report.

**19. BUSINESS RESPONSIBILITY REPORT:**

The Business Responsibility Report as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, describing the initiatives taken by the Company from an environmental, social and governance perspective appears separately in the Annual Report.

**20. DIRECTORS & KEY MANAGERIAL PERSONNELS:**

The composition of the Board of Directors underwent changes set out below:

**During the year under review:**

Mr. Inderjeet Singh Negi, Director of the Company, being longest in office, retired by rotation and was reappointed as a Director at the 14th Annual General Meeting held on 29th September, 2020.

Mr. Himanshu Shah, had resigned from the Directorship of the Company on 31st May, 2020.

Mr. Kaushal Shah has been appointed as an additional executive director on 4th August, 2020 and with the approval of Members in AGM he was designated as a whole time director of the Company w.e.f 1st October, 2020, for a period of 5 years.

Dr. Kirit Shelat, resigned from the Directorship of the Company on 11th September, 2020.

Mr. Rajeev Dalal was appointed as an additional independent director of the company w.e.f. 19th December, 2020.

Ms. Kalpana Unadkat was appointed as an additional independent director of the company w.e.f. 05th January, 2021.

Mr. Krishnakumar Vaidyanathan, was appointed as an Additional Director-Executive of the Company w.e.f. 20th December, 2020.

**Subsequent changes in composition till the date of this Report:**

Mr. Kaushal Shah, Whole-time Director of the Company, being longest in office, retires by rotation and being eligible, offers himself for reappointment as a Director at the ensuing Annual General Meeting.

Pursuant to section 160 of the Companies Act, 2013, the Company has received recommendations from the Nomination and remuneration committee for proposing, the re-appointment of Mrs. Vijaya Sampath as an Independent Director for another term of five years from 3rd February, 2022, the appointment Mr. Rajeev Dalal as an Independent Director for a term of five years w.e.f 19th December, 2020, the appointment Ms. Kalpana Unadkat as an Independent Director for a term of five years w.e.f 05th January, 2021 and the appointment Mr. Krishnakumar Vaidyanathan as a Whole time Director of the Company for a term of five years w.e.f the date of Annual General Meeting of the Company.

**21. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:**

During the year under review, the Board of Directors of the Company duly met 6 (Six) times. The applicable details of these Board meetings including the attendance of the Directors at those meetings are given in the report on Corporate Governance which forms part of the Annual Report.

**22. COMMITTEES OF THE BOARD:**

The Company has the following 6 (six) Board Committees which have been

established in compliance with the requirement of applicable law(s) and statute(s) and function accordingly:

- Audit Committee
- Nomination and remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders Relationship Committee
- Executive Committee
- Risk Management Committee

The details with respect to the composition, terms of reference, number of meetings held and other disclosures required to be made in the Board's report etc. of these Committees are given in the report on Corporate Governance which forms part of the Annual Report.

**23. EMPLOYEES' STOCK OPTION SCHEME:**

The 'Eris Lifesciences Employee Stock Option Plan 2017' ("ESOP 2017"/ "Plan") was approved by the shareholders at their Extra Ordinary General Meeting held on 3rd February, 2017 and subsequently in the Eleventh Annual General Meeting held on 29th September, 2017, the Shareholders duly ratified the said Plan. The details as required to be disclosed under the Companies Act, 2013, read with the rules made thereunder and SEBI (Share Based Employee Benefits) Regulations, 2014 [SEBI SBEB, 2014] appears at Annexure 8 and are available on the Company's website at: <https://eris.co.in/corporate-announcements/>

The objects of the Scheme are, inter alia, to provide an incentive to reward and motivate employees and enable them to participate in the long-term financial growth of the Company. The Company has granted stock options to the eligible employees. The options will be exercisable into equity shares as per the terms and conditions as stipulated in the Plan.

The Plan is in compliance with the SEBI SBEB, 2014. There were no material changes in the Plan. The certificate from the Statutory Auditors of the Company certifying that the Scheme is implemented in accordance with the SBEB Regulations and the resolutions passed by the members in this regard shall be available at the Annual General Meeting for inspection by members.

**24. CONTRACTS WITH RELATED PARTIES:**

Related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. The information on transactions with related parties, compiled in Form AOC-2, appears at "Annexure 9" to this report.

**25. PARTICULARS OF LOANS GIVEN, GUARANTEES GIVEN, INVESTMENTS MADE OR SECURITY PROVIDED BY THE COMPANY:**

Details of loans, guarantees and investments etc covered under section 186 of the Companies Act, 2013 appear in the notes to the financial statements.

**26. PROTECTION OF WOMEN AT WORKPLACE:**

No complaints pursuant to the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been received during the year under review. Further, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**27. RISK MANAGEMENT:**

The Board of Directors has constituted a Risk Management Committee which is entrusted with the responsibility of Overseeing the implementation /Monitoring of Risk Management Plan/Policy, Cyber Securities Risk, Periodically reviewing and evaluating the Risk Management Plan, etc. Further the Company has duly formulated and implemented a risk management plan for enabling the Company to identify the elements of risks as contemplated by the provisions of Section 134(3)(n).

**28. DISCLOSURE ON ESTABLISHMENT OF VIGIL MECHANISM:**

The Company provides an avenue to the Directors and Employees of the Company to report without fear any instance of actual or suspected violation, wrong doings or any illegal or unethical or improper practice which may adversely impact the image and / or the financials of the Company. For this, the Company has in place a Vigil Mechanism Policy (Whistle Blower Policy) for Directors and employees to report genuine concerns.

This provides for adequate safeguards against victimization of employees and Directors who wish to use the vigil mechanism to bring any wrong deed(s) to the notice of the Company.

During the year under review, the implementation of the vigil mechanism has been properly and regularly monitored by the Audit Committee. However, no complaints or instances in this regard have been reported. The said policy is available on the Company's Website at <http://eris.co.in/policies>.

**29. DIRECTORS' RESPONSIBILITY STATEMENT:**

The Board of Directors of the Company confirms that:

- In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- They had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year and of the profit of the Company for that period;
- They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- They had prepared the annual accounts on a going concern basis;
- They had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating efficiently; and
- They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

**30. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS:**

The Company has in place a policy on remuneration of Directors, Key Managerial Personnel ("KMP") and Other Employees which appears at "Annexure 10" to this report.

The Company has placed the said policy on the website of the company at <http://eris.co.in/policies>.

The details of parameters adopted for evaluating the performance of Non-Executive Directors appears in the Report on Corporate Governance which forms part of this Annual Report.

### 31. MANNER IN WHICH FORMAL ANNUAL EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS HAS BEEN CARRIED OUT:

The Board adopted the evaluation performed by the Independent Directors on the Board's performance carried out in accordance with the requirements of LODR Reg. 25(4)(a) which took into account factors like 'ability to create value for its shareholders while ensuring legal compliances' and 'corporate governance norms'. Satisfaction has been recorded about the performance based on the aforesaid criteria. The performance of the Committees was adjudged based on the criteria approved by the Nomination and remuneration committee of the Company. The Board records its satisfaction about the performance of all the committees of the Board. The performance evaluation of Chairperson and Managing Director of the Company has been carried out by the Independent Directors in accordance with LODR Reg. 25(4)(b) and stands duly adopted by the Board. The performance evaluation of non-independent directors has been carried out by the Independent Directors in accordance with LODR Reg. 25(4)(a) and it has been likewise adopted by the Board. The remaining members of the Board were evaluated at the Board Meetings based on parameters adopted by the Nomination and Remuneration Committee.

### 32. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS:

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

### 33. DECLARATION OF INDEPENDENCE:

The Company has received necessary declarations from each of the Independent Directors to the effect that they respectively meet the criteria of independence as stipulated under Section 149 (6) of the Companies Act, 2013. The Board has assessed the veracity of the same to their satisfaction. The Board of Directors have satisfied themselves about the integrity, expertise and experience (including the proficiency) of the independent directors of the Company.

### 34. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

Disclosures required pursuant to the provisions of Section 197(12) of the Act read with Rule 5(1), 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report and appears at "Annexure 11".

### 35. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

No material changes and commitments have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

### 36. PUBLIC DEPOSITS

The Company has not accepted deposits from the public during the year under review. No deposits were outstanding at the beginning or at the closure of the financial year under review.

### 37. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters under the Companies Act, 2013, and SEBI Regulations either on account of absence of any transaction or the inapplicability of the provisions:

- Reporting of fraud(s) by the Auditors within the meaning of Section 143(12) of the Companies Act, 2013.
- Disclosure pursuant to section 43(1) read with Rule 4(4) of Companies (share capital and debenture) rules, 2014 regarding issue of equity shares with differential rights.
- Details of any scheme for providing money for the purchase of shares of the Company by employees for the benefit of employees.
- Issue of shares (including sweat equity shares) to the employees of the Company under any scheme save and except Employees' Stock Options Plan referred to in this Report.
- Receipt of any commission from the Company or remuneration from any of its subsidiaries by the Managing Director or the Wholtime Directors of the Company as per section 197(14).
- Revision in the financial statements (apart from regrouping adjustments) or directors' report in any of the three preceding financials years.
- Regulation 32 (4) of SEBI LODR Regulations regarding explanation for the variation in the utilisation of money raised by public issue.
- Change in the nature of business as per rule 8(5)(ii) of the Companies Account Rule, 2014.
- Significant or material orders passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

### 38. ACKNOWLEDGEMENT

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from all the stakeholders during the year under review. The Board of Directors also wish to place on record its deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board of Directors

**Amit Bakshi**  
(DIN: 01250925)  
Chairperson & Managing Director  
Ahmedabad, 13th May, 2021



## Dividend Distribution Policy

### INTRODUCTION

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Eris Lifesciences Limited ('Company'), has formulated this 'DIVIDEND DISTRIBUTION POLICY' ('Policy').

The Board of Directors ('Board') of the Company has adopted this policy in their meeting held on 12th February, 2018.

### OBJECTIVE

The Policy has been formulated:

- To provide guidance for making a decision for declaration of dividend by the Company so as to seek a balance in the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth.
- Convey the above to the stakeholders for transparency and fair expectations.

### FACTORS THAT SHALL BE CONSIDERED FOR DECLARATION OF DIVIDEND

#### (i) Financial parameters and internal factors

- Net profit earned by the Company
- Profit available for distribution (profit of previous years available)
- Liquidity requirement of the Company
- Any current project requirement –whether business related or acquisition/ merger/ joint venture
- Earnings Per Share (EPS)
- Working capital requirements
- Capital expenditure requirement
- Business expansion and growth
- Likelihood of crystallization of contingent liabilities, if any
- Additional investment in subsidiaries and associates of the Company
- Upgradation of technology and physical infrastructure
- Creation of contingency fund
- Acquisition of brands and business
- Cost of Borrowing
- Past dividend payout ratio/ trends
- Any other factor as thought fit by the Board

#### (ii) External factors

- Economic environment
- Capital markets
- Global conditions
- Dividend payout scenario in the industry
- Legal and regulatory provisions and guidelines
- Any events such as strikes and lock outs

### THE CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY NOT EXPECT DIVIDEND

The Company shall not declare or distribute any dividend wherein:

- Funds are required for On-going / proposed expansion plan;
- Funds are required for On-going/proposed project requiring large capital outflow;
- Requirement of high working capital;
- Re-payment of outstanding loan, if so decided by the Board;
- Loss/ inadequate profit is made by the Company;
- Covenants with lenders/ Debenture trustees, if any, providing anything to the contrary
- The Board decides so, after analyzing the circumstances

### POLICY AS TO HOW THE RETAINED EARNINGS SHALL BE UTILIZED

The Board may retain its earnings in order to make better use of the available funds and increase the value for the stakeholders in the long run. The Board may consider the following factors while deciding the amount of earnings that need to be retained:

- To meet working capital requirement(s)
- Market expansion plan(s)
- Product expansion plan(s)
- Increase in production capacity(s)
- Modernization plan(s)
- Diversification of business
- To fund new acquisitions, mergers & investments
- To maintain adequate liquidity levels
- Replacement of capital assets
- Re-payment of outstanding loan, if so decided by the Board
- Creation of reserves/ statutory reserves in accordance with law
- Such other criteria as the Board may deem fit from time to time.

### PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The Policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

### EXPECTED RATE OF DIVIDEND:

The Board of the Directors will endeavour to declare a dividend of not less than 20 percent of the current profits in every Financial Year.

### PROCEDURE FOR DIVIDEND PAYOUT

The Dividend shall be paid out following the procedure in accordance with the provisions of the Companies Act, 2013, SS-3 issued by ICSI, SEBI Guidelines and any other applicable law.

**DISCLOSURE**

The Dividend Distribution Policy shall be disclosed in the Annual Report and on the website of the Company: <http://eris.co.in/>

**POLICY REVIEW AND AMENDMENTS**

This Policy would be subject to modification in accordance with the guidelines / clarifications as may be issued from time to time by relevant statutory and regulatory authority. The Board may modify, add, delete or amend any of the provisions of this Policy. Any exceptions to the Dividend Distribution Policy must be consistent with the Regulations and must be approved in the manner as may be decided by the Board of Directors.

For Eris Lifesciences Limited  
Amit Bakshi  
DIN: 01250925  
Chairperson & Managing Director  
Ahmedabad, 13th May, 2021



**Form No. MR- 3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**

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

To,  
The Members  
**Eris Lifesciences Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Eris Lifesciences 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 online verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company due to current COVID pandemic situation and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 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) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (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, 2009; 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.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above **except in following cases:**

1. Company has made delay for a period of 11 days in submission of disclosure of Related Party Transactions on consolidated basis for the quarter ended on 30th September, 2020 as per Regulation 23 (9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Company has paid necessary fines with BSE Ltd. and National Stock Exchange of India Limited in respect of the notices received from the stock exchanges for such delay in submission of compliance. However, Company has filed an application for waiver of fine with both the stock exchanges in above matter.

2. Company has made delay for a period of 25 days while making new appointment of Non-Executive and Independent Directors of the Company and to that extent Company has not complied with the requirement of half of the Board should be Non-Executive and Independent Directors in Board composition from the period 11.12.2020 to 18.12.2020 and for the period 20.12.2020 to 04.01.2021 in pursuance to Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Company has also made delay for a period of 8 days in compliance of requirement of having at least six Directors from the period 11.12.2020 to 18.12.2020 in pursuance to Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Company has paid necessary fines with BSE Ltd. and National Stock Exchange of India Limited in respect of the notices received from the stock exchanges for above delay in compliance of provisions of Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, Company has filed an application for waiver of fine with both the stock exchanges in above matter.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act except for the non-compliance in composition of board for the period as mentioned above during the year.
- 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: 13th May, 2021**

**For, Ravi Kapoor & Associates**

Ravi Kapoor  
Company Secretary in practice  
FCS No.: 2587  
C P No.: 2407  
UDIN: F002587C000289709

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.

## Annexure A

To,  
The Members  
**Eris Lifesciences 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: 13th May, 2021**

**For, Ravi Kapoor & Associates**

Ravi Kapoor  
Company Secretary in practice  
FCS No.: 2587  
C P No.: 2407  
UDIN: F002587C000289709

## Annexure 3

**PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014****Conservation of energy:****Steps taken for conservation of energy:**

- Power consumption monitoring is regularly done at the manufacturing facility, resulting in optimum energy consumption and conservation.
- Use of LED lights and human sensor switches to save electricity has been adopted.
- Regulation in usage of office lighting.
- Regular monitoring of high energy consumption areas and taking appropriate measures as and when required. For instance optimisation of compressed air generation process, thermal insulation of hot water tanks and steam lines, preventive/periodic maintenance of HVAC plants and utility equipment.
- All efforts are made to use more natural lights in the premises to optimise the consumption of energy.

**The steps taken by the company for utilising alternate sources of energy:**

- The Company evaluates all possibilities of utilizing alternate sources of energy in its operations, wherever possible.

**The capital investment on energy conservation equipment:**

- During the year, the company has not made any capital investment on energy conservation equipment.

**Technology absorption:**

- Company regularly monitors the technical advancements which can help in reducing cost and make the existing processes more eco-friendly and result in minimization of environmental hazards.
- The benefits derived from these efforts would be product improvement, cost reduction, and sustainable development.
- No technology was imported by the Company during the year under review.
- During the year, the company has not made any expenditure on research and development related to technology absorption.

**Foreign Exchange Earnings and Outgo details are as follows:**

		(₹. In Million)	
Sr. No.	Particulars	2020-21	2019-20
1	Foreign Exchange Earnings	Nil	Nil
2	Foreign Exchange Outgo	200.96	982.73

**For Eris Lifesciences Limited****Amit Bakshi**

DIN: 01250925

Chairperson &amp; Managing Director

Ahmedabad, 13th May, 2021

**Form AOC-1**

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

**Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures**

**Part A Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in million)

<b>Name of the subsidiary</b>	<b>Kinedex Healthcare Private Limited</b>	<b>Aprica Healthcare Limited (previously known as UTH Healthcare Limited)</b>	<b>Eris Healthcare Private Limited (EHPL)</b>	<b>Eris Pharmaceuticals Private Limited (incorporated on 2nd June 2020)</b>
The date since when subsidiary was Acquired	23.11.2016	01.10.2017	01.12.2017	02.06.2020
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A	N.A	N.A	02-06-2020 to 31-03-2021
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A	N.A	N.A	N.A.
Share capital	1.83	73.45	43.33	0.1
Reserves and surplus	13.43	(118.15)	469.26	(0.05)
Total assets	24.81	318.39	1063.26	0.26
Total Liabilities	9.55	113.09	520.67	0.21
Investments	-	0.02	-	-
Turnover	0.61	550.28	752.17	-
Profit before taxation	(1.51)	115.48	(32.77)	(0.05)
Provision for taxation	(4.85)	33.31	(8.50)	-
Profit after taxation	3.34	82.17	(24.27)	(0.05)
Proposed Dividend	Nil	Nil	Nil	Nil
Extent of shareholding (in percentage)	100 %	100 %	100 %	76 % held by EHPL

**Part B Associates and Joint Ventures**

<b>Name of Associates or Joint Ventures</b>	<b>There are no associates or joint ventures of the Company during the year.</b>
1. Latest audited Balance Sheet Date	N.A
2. Date on which the Associate or Joint Venture was associated or acquired	N.A
3. Shares of Associate or Joint Ventures held by the company on the year end	
a. Numbers	N.A
b. Amount of Investment in Associates or Joint Venture	N.A
c. Extent of Holding (in percentage)	N.A
4. Description of how there is significant influence	N.A
5. Reason why the associate/joint venture is not consolidated	N.A
6. Net worth attributable to shareholding as per latest audited Balance Sheet	N.A
7. Profit or Loss for the year	
i. Considered in Consolidation	N.A
ii. Not Considered in Consolidation	N.A

- There are no subsidiaries or associates or joint ventures which are yet to commence operations.
- There are no subsidiaries or associates or joint ventures which have been liquidated or sold during the year.

**For Eris Lifesciences Limited****Amit Bakshi**

Chairperson & Managing Director  
DIN: 01250925

**Inderjeet Singh Negi**

Whole Time Director  
DIN: 01255388

**Sachin Shah**

Chief Financial Officer

**Milind Talegaonkar**

Company Secretary  
Membership No-A26493

Ahmedabad, 13th May, 2021



**Form MGT-9**  
EXTRACT OF ANNUAL RETURN

**AS ON FINANCIAL YEAR ENDED ON 31.03.2021**

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

1	<b>CIN</b>	L24232GJ2007PLC049867
2	Registration Date	25TH JANUARY, 2007
3	Name of the Company	ERIS LIFESCIENCES LIMITED
4	Category/Sub-category of the Company	PUBLIC COMPANY LIMITED BY SHARES NON- GOVERNMENT COMPANY
5	Address of the Registered office & contact details	8TH FLOOR, COMMERCE HOUSE- IV, PRAHLADNAGAR 100 FT ROAD, AHMEDABAD - 380015 (T): 079-30451000
6	Email address	complianceofficer@erislifesciences.com
7	Name of the Police Station having jurisdiction where the registered office is situated	ANAND NAGAR POLICE STATION
8	Address for correspondence, if different from address of registered office:	7TH FLOOR, COMMERCE HOUSE- IV, PRAHLADNAGAR 100 FT ROAD, AHMEDABAD – 380015 (T): 079-3045 1000
9	Whether shares listed on recognized Stock Exchange(s) If yes, details of stock exchanges where shares are listed	YES
		SN      Stock Exchange Name      Code
		1.      BSE Limited      540596
2.      National Stock Exchange of India Limited      ERIS		
10	Name, Address & contact details of the Registrar & Transfer Agent, if any.	LINK INTIME INDIA PRIVATE LIMITED C – 101, 247 PARK, L.B.S.MARG, VIKHROLI (WEST), MUMBAI – 400 083 (T): 91 22 49186000

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)**

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% of total turnover of the company
1	PHARMACEUTICAL	2100	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –SUBSIDIARY COMPANIES**

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	<b>APRICA HEALTHCARE LIMITED</b> (Previously Known as UTH Healthcare Limited) Vision 2020, SF-209, 150ft Ring Road, Nr. Lijjat Papad, PLT-3-4, Rajkot Rajkot GJ 360007 *	U24232GJ2011PLC112374	Subsidiary	100%	2(87)
2	<b>KINEDEX HEALTHCARE PRIVATE LIMITED</b> Vision 2020, SF-209, 150ft Ring Road, Nr. Lijjat Papad, PLT-3-4, Rajkot Rajkot GJ 360007 *	U51397GJ2002PTC112851	Subsidiary	100%	2(87)

<b>ERIS HEALTHCARE PRIVATE LIMITED</b>					
3	6th Floor, Commerce House - IV, Nr. Prahlad Nagar, 100ft. Road, Ahmedabad GJ 380015 IN	U24211GJ2013PTC113419	Subsidiary	100%	2(87)
<b>ERIS PHARMACEUTICALS PRIVATE LIMITED</b>					
4	E-36, Panki Industrial Area Site 3 Kanpur Kanpur UP 208022 IN	U33100UP2020PTC128964	Subsidiary	76%	2(87)

\* Changed its Registered office from Vision 20-20, SF-209, 150ft Ring Road, Nr. Lijjat Papad, PLT-3-4 Rajkot Rajkot GJ 360007 to B-A,4TH/F-04, Safal Profitair, Nr. Krishna Bungalows 100 ft. Road, Prahladnagar, Vejalpur Ahmedabad GJ 380015 IN w.e.f. 1st May, 2021.

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category of Shareholders	I Category-wise Share Holding								%Change during the year	
	No. of Shares held at the beginning of the year i.e. 01.04.2020				No. of Shares held at the end of the year i.e 31.03.2021					
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoter</b>										
<b>1) Indian</b>										
a) Individual/ HUF	7,54,31,423	-	7,54,31,423	55.55	7,35,03,934	-	7,35,03,934	54.13	(1.42)	
b) Central Govt.	-	-	-	-	-	-	-	-	-	
c) State Govt.(s)	-	-	-	-	-	-	-	-	-	
d) Bodies Corp	-	-	-	-	-	-	-	-	-	
e) Banks / FI	-	-	-	-	-	-	-	-	-	
f) Any Other Non Public & Non Promoter	-	-	-	-	-	-	-	-	-	
<b>Sub-total (A)(1):-</b>	<b>7,54,31,423</b>	<b>-</b>	<b>7,54,31,423</b>	<b>55.55</b>	<b>7,35,03,934</b>	<b>-</b>	<b>7,35,03,934</b>	<b>54.13</b>	<b>(1.42)</b>	
<b>2) Foreign</b>										
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-	
h) Other Individuals	-	-	-	-	-	-	-	-	-	
i) Bodies Corp.	-	-	-	-	-	-	-	-	-	
j) Banks/FI	-	-	-	-	-	-	-	-	-	
k) Any Other	-	-	-	-	-	-	-	-	-	
<b>Sub-total (A)(2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total Promoter Shareholding (A)=(A)(1)+ (A)(2)</b>	<b>7,54,31,423</b>	<b>-</b>	<b>7,54,31,423</b>	<b>55.55</b>	<b>7,35,03,934</b>	<b>-</b>	<b>7,35,03,934</b>	<b>54.13</b>	<b>(1.42)</b>	
<b>B. Public Shareholding</b>										
<b>1. Institutions</b>										
a) Mutual Funds	1,42,76,919	-	1,42,76,919	10.51	1,25,32,762	-	1,25,32,762	9.23	(1.28)	
b) Banks / FI	2,879	-	2,879	0.00#	3	-	3	0.00#	0.00#	
c) Venture Capital Funds	-	-	-	-	-	-	-	-	-	
d) Insurance Companies	-	-	-	-	31077	-	31077	0.02	0.02	
g) FIs	-	-	-	-	-	-	-	-	-	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	

i) Others (Foreign Portfolio Investors)	1,38,35,415	-	1,38,35,415	10.19	1,68,63,735	-	1,68,63,735	12.41	2.23
(Alternate Investment Funds)	8,94,835	-	8,94,835	0.66	5,59,685	-	5,59,685	0.41	(0.24)
<b>Sub-total (B)(1)</b>	<b>2,90,10,048</b>	<b>-</b>	<b>2,90,10,048</b>	<b>21.36</b>	<b>2,99,87,262</b>	<b>-</b>	<b>2,99,87,262</b>	<b>22.08</b>	<b>0.7197</b>
<b>2. Central Government/ State Government/</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
President of India	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>3. Non Institutions</b>									
Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	14,09,234	9	14,09,243	1.04	23,61,142	9	23,61,151	1.73	0.70
(ii) Individual Shareholders Holding nominal share capital in excess of Rs. 1 lakh	2,90,36,292	-	2,90,36,292	21.38	2,92,44,855	-	2,92,44,855	21.53	0.15
NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
Overseas Depositories (holding DR(balancing figure))	-	-	-	-	-	-	-	-	-
Other. Specify	-	-	-	-	-	-	-	-	-
HUF	60,994	-	60,994	0.04	98,323	-	98,323	0.07	0.03
Non Resident Indian	1,07,220	-	1,07,220	0.08	3,67,149	-	3,67,149	0.27	0.19
Independent Director	2,220	-	2,220	0.00#	2,220	-	2,220	0.00#	0.00#
Clearing Members	4,92,709	-	4,92,709	0.36	50,881	-	50,881	0.04	(0.32)
Bodies Corporate	2,30,504	-	2,30,504	0.17	1,64,849	-	1,64,849	0.12	(0.05)
Trusts	-	-	-	-	29	-	29	-	0.00#
<b>Sub-total (B)(3)</b>	<b>3,13,39,173</b>	<b>9</b>	<b>3,13,39,182</b>	<b>23.08</b>	<b>3,22,89,448</b>	<b>9</b>	<b>3,22,89,457</b>	<b>23.78</b>	<b>0.70</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>6,03,49,221</b>	<b>9</b>	<b>6,03,49,230</b>	<b>44.45</b>	<b>6,22,76,710</b>	<b>9</b>	<b>6,22,76,719</b>	<b>45.87</b>	<b>1.42</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>13,57,80,644</b>	<b>9</b>	<b>13,57,80,653</b>	<b>100</b>	<b>13,57,80,644</b>	<b>9</b>	<b>13,57,80,653</b>	<b>100</b>	<b>-</b>

## II. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of Total shares of Company*	% of shares pledged/encumbered to total shares	No. of Shares	% of Total shares of Company*	% of shares pledged/encumbered to total shares	
1	AMIT INDUBHUSAN BAKSHI	54698423	40.28	0.0000	54698423	40.28	0.0000	0.0000
2	RAJENDRAKUMAR RAMBHAJ PATEL	5939834	4.37	0.0000	5939834	4.37	0.0000	0.0000
3	INDERJEET SINGH NEGI	5939833	4.37	0.0000	5939833	4.37	0.0000	0.0000
4	KAUSHAL KAMLESHKUMAR SHAH	4468833	3.29	0.0000	4468833	3.29	0.0000	0.0000
5	HIMANSHU JAYANTBHAI SHAH	4384500	3.23	0.0000	2457011	1.81	0.0000	(1.42)
	Total	75431423	55.54	0.0000	73503934	54.12	0.0000	(1.42)

## III. Change in Promoter's Shareholding

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total shares of the Company	No. of Shares	% of Total shares of the Company
<b>1. MR. AMIT BAKSHI</b>					
	At the beginning of the year	54698423	40.28	54698423	40.28
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	54698423	40.28	54698423	40.28
<b>2. MR. HIMANSHU SHAH</b>					
	At the beginning of the year	4384500	3.23	4384500	3.23
	Shareholding decrease by sale of shares on 25 Sep, 2020	(1800000)	(1.33)	2584500	1.90
	Shareholding decrease by sale of shares on 16 & 17 Mar, 2021	(110793)	(0.08)	2473707	1.82
	Shareholding decrease by sale of shares on 25 & 26 Mar, 2021	(16696)	(0.01)	2457011	1.81
	At the end of the year	2457011	1.81	2457011	1.81
<b>3. MR. INDERJEET SINGH NEGI</b>					
	At the beginning of the year	5939833	4.37	5939833	4.37
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	5939833	4.37	5939833	4.37
<b>4. MR. RAJENDRA PATEL</b>					
	At the beginning of the year	5939834	4.37	5939834	4.37
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	5939834	4.37	5939834	4.37
<b>5. MR. KAUSHAL SHAH</b>					
	At the beginning of the year	4468833	3.29	4468833	3.29
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	4468833	3.29	4468833	3.29

**V. Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	<b>RAKESH SHAH</b>	<b>15684407</b>	<b>11.55</b>			<b>15684407</b>	<b>11.55</b>
	AT THE END OF THE YEAR					15684407	11.55
2	<b>BHIKHALAL CHIMANLAL SHAH</b>	<b>8892430</b>	<b>6.55</b>			<b>8892430</b>	<b>6.55</b>
	AT THE END OF THE YEAR					8892430	6.55
3	<b>EMERALD INVESTMENTS LIMITED</b>	<b>7475780</b>	<b>5.51</b>			<b>7475780</b>	<b>5.51</b>
	Transfer			10 Apr 2020	1352	7477132	5.51
	AT THE END OF THE YEAR					7477132	5.51
4	<b>UTI FLEXI CAP FUND</b>	<b>3671724</b>	<b>2.70</b>			<b>3671724</b>	<b>2.70</b>
	Transfer			08 May 2020	69781	3741505	2.75
	Transfer			15 May 2020	54323	3795828	2.79
	Transfer			29 May 2020	10000	3805828	2.80
	Transfer			05 Jun 2020	(54419)	3751409	2.76
	Transfer			03 Jul 2020	15728	3767137	2.77
	Transfer			10 Jul 2020	26231	3793368	2.79
	Transfer			17 Jul 2020	47931	3841299	2.83
	Transfer			24 Jul 2020	122699	3963998	2.92
	Transfer			31 Jul 2020	131128	4095126	3.02
	Transfer			07 Aug 2020	(34190)	4060936	2.99
	Transfer			14 Aug 2020	14780	4075716	3.00
	Transfer			21 Aug 2020	(21971)	4053745	2.98
	Transfer			04 Sep 2020	5298	4059043	2.99
	Transfer			11 Sep 2020	1002	4060045	2.99
	Transfer			18 Sep 2020	52230	4112275	3.03
	Transfer			25 Sep 2020	(9493)	4102782	3.02
	Transfer			30 Sep 2020	(37531)	4065251	2.99
	Transfer			09 Oct 2020	(27193)	4038058	2.97
	Transfer			16 Oct 2020	5000	4043058	2.98
	Transfer			23 Oct 2020	(74098)	3968960	2.92
	Transfer			30 Oct 2020	(50754)	3918206	2.89
	Transfer			13 Nov 2020	(17509)	3900697	2.87
	Transfer			20 Nov 2020	29727	3930424	2.89
	Transfer			27 Nov 2020	2746	3933170	2.89
	Transfer			04 Dec 2020	(40446)	3892724	2.87
	Transfer			11 Dec 2020	68215	3960939	2.92

Transfer			25 Dec 2020	176262	4137201	3.05
Transfer			31 Dec 2020	231121	4368322	3.22
Transfer			08 Jan 2021	154595	4522917	3.33
Transfer			15 Jan 2021	45278	4568195	3.36
Transfer			22 Jan 2021	(2929)	4565266	3.36
Transfer			29 Jan 2021	13000	4578266	3.37
Transfer			05 Feb 2021	865	4579131	3.37
Transfer			12 Feb 2021	(3207)	4575924	3.37
Transfer			19 Feb 2021	(25954)	4549970	3.35
Transfer			26 Feb 2021	83857	4633827	3.41
Transfer			05 Mar 2021	15563	4649390	3.42
Transfer			12 Mar 2021	13000	4662390	3.43
Transfer			19 Mar 2021	156627	4819017	3.55
Transfer			26 Mar 2021	127676	4946693	3.64
AT THE END OF THE YEAR					4946693	3.64
<b>5</b>	<b>HETAL RASIKLAL SHAH</b>	<b>4026613</b>	<b>2.97</b>		<b>4026613</b>	<b>2.97</b>
Transfer			05 Jun 2020	(820)	4025793	2.96
Transfer			07 Aug 2020	(103618)	3922175	2.89
Transfer			11 Dec 2020	(15874)	3906301	2.88
Transfer			18 Dec 2020	(9126)	3897175	2.87
Transfer			25 Dec 2020	(28087)	3869088	2.85
Transfer			08 Jan 2021	(21913)	3847175	2.83
Transfer			15 Jan 2021	(19281)	3827894	2.82
Transfer			22 Jan 2021	(5719)	3822175	2.82
AT THE END OF THE YEAR					3822175	2.82
<b>6</b>	<b>ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE EQUITY HYBRID '95 FUND</b>	<b>4656844</b>	<b>3.43</b>		<b>4656844</b>	<b>3.43</b>
Transfer			01 May 2020	(22336)	4634508	3.41
Transfer			05 Jun 2020	(35424)	4599084	3.39
Transfer			12 Jun 2020	(7918)	4591166	3.38
Transfer			19 Jun 2020	(88955)	4502211	3.32
Transfer			26 Jun 2020	(38422)	4463789	3.29
Transfer			30 Jun 2020	(4026)	4459763	3.28
Transfer			03 Jul 2020	(10808)	4448955	3.27
Transfer			10 Jul 2020	(24652)	4424303	3.26
Transfer			24 Jul 2020	(462859)	3961444	2.92
Transfer			31 Jul 2020	(225818)	3735626	2.75
Transfer			07 Aug 2020	(120000)	3615626	2.66
Transfer			14 Aug 2020	(54931)	3560695	2.62



Transfer		21 Aug 2020	(28098)	3532597	2.60
Transfer		28 Aug 2020	(52716)	3479881	2.56
Transfer		04 Sep 2020	(3356)	3476525	2.56
Transfer		11 Sep 2020	(1170)	3475355	2.56
Transfer		18 Sep 2020	(17857)	3457498	2.55
Transfer		25 Sep 2020	(12000)	3445498	2.54
Transfer		06 Nov 2020	5000	3450498	2.54
Transfer		13 Nov 2020	(10000)	3440498	2.53
Transfer		20 Nov 2020	(10000)	3430498	2.53
Transfer		27 Nov 2020	(42152)	3388346	2.50
Transfer		04 Dec 2020	(17886)	3370460	2.48
Transfer		11 Dec 2020	(47201)	3323259	2.45
Transfer		18 Dec 2020	(40542)	3282717	2.42
Transfer		25 Dec 2020	25000	3307717	2.44
Transfer		31 Dec 2020	(74500)	3233217	2.38
Transfer		08 Jan 2021	(81574)	3151643	2.32
Transfer		15 Jan 2021	(63785)	3087858	2.27
Transfer		22 Jan 2021	(56100)	3031758	2.23
Transfer		29 Jan 2021	(4274)	3027484	2.23
Transfer		12 Feb 2021	(89)	3027395	2.23
Transfer		26 Feb 2021	(8915)	3018480	2.22
Transfer		05 Mar 2021	(25512)	2992968	2.20
Transfer		19 Mar 2021	(44592)	2948376	2.17
Transfer		26 Mar 2021	(400698)	2547678	1.88
AT THE END OF THE YEAR				2547678	1.88
<b>7</b>	<b>AXIS CAPITAL LIMITED</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
Transfer		11 Sep 2020	2383	2383	0.00
Transfer		25 Sep 2020	1997617	2000000	1.47
Transfer		30 Sep 2020	(1800000)	200000	0.14
Transfer		19 Mar 2021	2273707	2473707	1.82
Transfer		31 Mar 2021	(16696)	2457011	1.81
AT THE END OF THE YEAR				2457011	1.81
<b>8</b>	<b>FRANKLIN INDIA SMALLER COMPANIES FUND</b>	<b>2486330</b>	<b>1.83</b>	<b>2486330</b>	<b>1.83</b>
Transfer		24 Apr 2020	(250000)	2236330	1.65
Transfer		22 May 2020	1120	2237450	1.65
Transfer		19 Jun 2020	25000	2262450	1.67
Transfer		10 Jul 2020	100000	2362450	1.74
Transfer		24 Jul 2020	100000	2462450	1.81
Transfer		14 Aug 2020	(10814)	2451636	1.81

	Transfer			21 Aug 2020	(736)	2450900	1.80
	Transfer			25 Sep 2020	(98383)	2352517	1.73
	Transfer			30 Sep 2020	(1617)	2350900	1.73
	Transfer			04 Dec 2020	(328171)	2022729	1.49
	Transfer			11 Dec 2020	(121829)	1900900	1.40
	Transfer			25 Dec 2020	(25000)	1875900	1.38
	AT THE END OF THE YEAR					1875900	1.38
<b>9</b>	<b>FUNDSMITH EMERGING EQUITIES TRUST PLC</b>	<b>1485101</b>	<b>1.09</b>			<b>1485101</b>	<b>1.09</b>
	AT THE END OF THE YEAR					1485101	1.09
<b>10</b>	<b>L AND T MUTUAL FUND TRUSTEE LTD-L AND T MID CAP FUND</b>	<b>321838</b>	<b>0.24</b>			<b>321838</b>	<b>0.24</b>
	Transfer			03 Apr 2020	455000	776838	0.57
	Transfer			24 Apr 2020	250000	1026838	0.76
	Transfer			22 Jan 2021	201562	1228400	0.90
	AT THE END OF THE YEAR					1228400	0.90
<b>11</b>	<b>TATA MUTUAL FUND - TATA INDIA TAX SAVINGS FUND</b>	<b>1282500</b>	<b>0.94</b>			<b>1282500</b>	<b>0.94</b>
	Transfer			19 Mar 2021	(210000)	1072500	0.79
	Transfer			26 Mar 2021	(152500)	920000	0.68
	AT THE END OF THE YEAR					920000	0.68
<b>12</b>	<b>KOTAK EMERGING EQUITY SCHEME</b>	<b>1416601</b>	<b>1.04</b>			<b>1416601</b>	<b>1.04</b>
	Transfer			17 Apr 2020	1500	1418101	1.04
	Transfer			05 Jun 2020	48500	1466601	1.08
	Transfer			07 Aug 2020	105000	1571601	1.16
	Transfer			30 Sep 2020	(2987)	1568614	1.15
	Transfer			20 Nov 2020	(100000)	1468614	1.08
	Transfer			04 Dec 2020	(35000)	1433614	1.06
	Transfer			11 Dec 2020	(3000)	1430614	1.05
	Transfer			18 Dec 2020	(117499)	1313115	0.97
	Transfer			25 Dec 2020	(133788)	1179327	0.87
	Transfer			31 Dec 2020	(51016)	1128311	0.83
	Transfer			08 Jan 2021	(105332)	1022979	0.75
	Transfer			15 Jan 2021	(48767)	974212	0.72
	Transfer			22 Jan 2021	(103114)	871098	0.64
	Transfer			05 Feb 2021	(44652)	826446	0.61
	AT THE END OF THE YEAR					826446	0.61

## VI. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total shares of Company	No. of Shares	% of Total shares of Company
<b>1. MR. AMIT BAKSHI</b>					
	At the beginning of the year	54698423	40.28	54698423	40.28
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	54698423	40.28	54698423	40.28
<b>2. MR. INDERJEET SINGH NEGI</b>					
	At the beginning of the year	5939833	4.37	5939833	4.37
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	5939833	4.37	5939833	4.37
<b>3. MRS. VIJAYA SAMPATH</b>					
	At the beginning of the year	2220	0.00 #	2220	0.00 #
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	2220	0.00 #	2220	0.00 #
<b>4. MR. PRASHANT GUPTA</b>					
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
<b>5. MR. RAJEEV DALAL (From 19.12.2020)</b>					
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
<b>6. MR. KAUSHAL SHAH (From 04.08.2020)</b>					
	At the beginning of the year	4468833	3.29	4468833	3.29
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	4468833	3.29	4468833	3.29
<b>7. MR. KRISHNAKUMAR VAIDYANATHAN (From 20.12.2020)</b>					
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

<b>8. MS. KALPANA UNADKAT (From 05.01.2021)</b>				
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
At the end of the year	-	-	-	-
<b>9. MR. SACHIN SHAH</b>				
At the beginning of the year	15022	0.01	15022	0.01
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
At the end of the year	15022	0.01	15022	0.01
<b>10. MR. MILIND TALEGAONKAR</b>				
At the beginning of the year	1330	0.00 #	1330	0.00 #
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
At the end of the year	1330	0.00 #	1330	0.00 #

**VII. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.****(Rs. In Million)**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

**VIII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

<b>A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rs. In Million)</b>							
<b>Sr. No.</b>	<b>Particulars of Remuneration</b>	<b>Name of Managing Director</b>		<b>Name of Whole-time Directors</b>			<b>Total Amount</b>
1.	Gross salary	AMIT BAKSHI*	INDERJEET SINGH NEGI**	HIMANSHU SHAH***	KAUSHAL SHAH****	KRISHNAKUMAR VAIDYANATHAN *****	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	26.70	11.59	0.91	4.66	35.65	79.51
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission						
	- as % of profit	-	-	-	-	-	-
	- others, specify...	-	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-	-
	Total (A) (1+2+3+4+5)	26.70	11.59	0.91	4.66	35.65	79.51
	Ceiling as per the Act						392.19

\* Mr. Amit Bakshi opted to forgo the variable component of his remuneration and part of the salary amounting to Rs. 22.4 million.

\*\* Mr. Inderjeet Negi opted to forgo the part of the salary amounting to Rs. 1.05 million

\*\*\* Mr. Himanshu Shah opted to forgo the part of the salary amounting to Rs. 0.91 million and he resigned from the Board w.e.f.31.05.2020.

\*\*\*\* Mr. Kaushal Shah opted to forgo the part of the salary amounting to Rs. 0.58 million

\*\*\*\*\* The company has paid one time joining bonus to Mr. Krishnakumar Vaidyanathan amounting to Rs. 20 million.

B. REMUNERATION TO OTHER DIRECTORS: (Rs. In Million)							
Sr. No.	Particulars of Remuneration	Name of other Directors				Total Amount	
1	Independent Directors	Mr. Kirit Shelat &	Mrs. Vijaya Sampath	Mr. Prashant Gupta	Mr. Rajeev Dalal	Ms. Kalpana Unadkat	
	Fee for attending board & committee meetings	0.60	1.05	1.05	0.23	0.07	3.00
	Commission	-	0.50	0.50	0.85	0.84	2.69
	Others, please specify	-	-	-	-	-	-
	Total (1)	0.60	1.55	1.55	1.08	0.91	5.69
2.	Other Non-Executive Directors	-	-	-	-	-	-
	Fee for attending board & committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	0.60	1.55	1.55	1.08	0.91	5.69
	Total Managerial Remuneration						
	Overall Ceiling as per the Act						39.22

& Resigned w.e.f. 11.09.2020.

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: (Rs. In Million)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Milind Talegaonkar Company Secretary	Sachin Shah Chief Financial Officer	
1.	Gross salary	-	3.11	11.10	14.21
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	6651 shares	16628 shares	23279 shares
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	Others specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	3.11	11.10	14.21



**VIV. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

# Due to rounding off.

**For Eris Lifesciences Limited**

**Amit Bakshi**  
 DIN: 01250925  
 Chairperson & Managing Director  
 Ahmedabad, 13th May, 2021

**ANNUAL REPORT ON CSR ACTIVITIES**

[Pursuant to Section 135 of the Companies Act, 2013]

**BRIEF OF THE COMPANY'S CSR POLICY:**

While the Company continues to expand and grow in its sector of business, it has not lost sight of its commitment to play its role as an enlightened corporate citizen. Corporate Social Responsibility has always been on its agenda.

The Company's focus areas under CSR are:

- Preventive Medical Screening
- Education
- Environment
- Rural & Agricultural Development

The CSR Policy has been put up on the Company's Website and can be accessed through the following link: <http://eris.co.in/policies>.

**THE COMPOSITION OF THE CSR COMMITTEE:**

The CSR committee of the Board is responsible for inter alia overseeing the execution of the Company's CSR policy.

The composition of the CSR Committee of the Company as on 31.03.2021 was:

Sr. No.	Name of the Director (and designation in relation to membership of the committee)	Nature of directorship (Executive / Non-executive/ Independent / Non-independent)	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Inderjeet Singh Negi – Chairperson	Executive and Non-Independent	1	1
2	Mr. Rajeev Dalal	Non-Executive and Independent	-	-
3	Mr. Kaushal Shah	Executive and Non-Independent	-	-

**WEB-LINKS:**

Composition of CSR committee: <https://eris.co.in/wp-content/uploads/2021/02/Committees-of-the-Board-of-Directors.pdf>

CSR Policy / CSR Projects : <https://eris.co.in/wp-content/uploads/2020/12/CSR-POLICY.pdf>

DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE (ATTACH THE REPORT): Not Applicable

DETAILS OF THE AMOUNT AVAILABLE FOR SET OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 AND AMOUNT REQUIRED FOR SET OFF FOR THE FINANCIAL YEAR, IF ANY

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (Rs. In Million)	Amount required to be set-off for the financial year, if any (Rs. In Million)
1	2020-21	~ 0.29	-
2	2019-20	~ 0.25	-
3	2018-19	-	-
	Total	~ 0.54	-

**AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS (Section 135(5)):**

- Rs. 2951.89 Million

**PRESCRIBED CSR EXPENDITURE :**

- Rs. 59.04 Million (2% of Average Net Profit)

**DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:**

- (a) Total amount to be spent for the financial year: Rs. 59.04 Million
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (c) Amount required to be set off for the financial year, if any: Nil
- (d) Total CSR obligation for the financial year (a+b-c) : Rs. 59.04 Million
- Total amount spent during the financial year: Rs. 59.33 Million
- Amount unspent: Nil

Details of CSR amount spent against ongoing projects for the financial year: NIL

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
Sr. 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 (Rs. In Million)	Mode of implementation - Direct (Yes/ No).	Mode of implementation - Through implementing agency	
				State.	District.			Name.	CSR registration number.
1.	Preventive medical screening at public places	Promoting health care including Preventive health care (Schedule VII(i))	Yes	Pan India		57.089	Both	Eris Foundation	Application is in process
2.	Education of Underprivileged	Education (Schedule VII(ii))	Yes	Gujarat		1.14	Yes	-	-
3.	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	Schedule VII(iv)	Yes	Assam		1.1	Yes	-	-
Total						59.32			

Amount spent in administrative overheads: NA

Amount spent on Impact Assessment, if applicable: NA

Total amount spent for the Financial Year: Rs. 59.33 Million

Excess amount for set off, if any: Rs. 0.29 Million

**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) (Rs. In Million)	Amount spent in the reporting Financial Year (Rs. In Million)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (Rs. In Million)
				Name of the Fund	Amount (Rs. In Million)	Date of transfer.	
1.	2019-20	0	59.53	Not Applicable	Not Applicable	Not Applicable	-
2.	2018-19	0	59.53	Not Applicable	Not Applicable	Not Applicable	-
3.	2017-18	0	7.29	Not Applicable	Not Applicable	Not Applicable	-
Total			126.15				

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

In case of creation or acquisition of capital asset, the details relating to the asset so created or acquired through CSR spent in the financial year

No creation or acquisition of capital asset during the current financial year

**THE REASONS FOR UNSPENT AMOUNT:** Not Applicable

**For Eris Lifesciences Limited**

**Amit Bakshi**  
(DIN: 01250925)  
Chairperson & Managing Director

**Inderjeet Singh Negi**  
(DIN: 01255388)  
Chairperson, CSR Committee

Ahmedabad, 13th May, 2021

# CORPORATE GOVERNANCE REPORT

Annexure – 7

(Pursuant to provisions of Schedule V of the SEBI (LODR) Regulations, 2015/ “SEBI Listing Regulations”)

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

Your Company believes in conscientiousness, innovation, fairness, transparency, pursuit of long-term value for all stakeholders, ethical & accountability driven processes and a purposeful existence. Your Company views the code of Governance as an opportunity to translate these beliefs into conduct which may assure all persons dealing or contemplating dealing with the company about these legitimate expectations from the Company.

## 2. BOARD OF DIRECTORS:

As on 31st March, 2021, the Board of Directors (Board) comprised of 8 (eight) directors out of which 3 (three) being promoter executive directors, 1 (one) executive director and 4 (four) non-executive independent directors. The Board is chaired by an Executive Promoter Director.

None of the Directors on the Board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or Chairperson of more than five committees across all the public companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as of March 31, 2021, have been made by the Directors.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Companies Act (Act). The maximum tenure of independent directors is compliant with the requirements of the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

## 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 ended on 31st March, 2021 the Board met 6 (Six) times on 02.06.2020, 26.06.2020, 04.08.2020, 03.11.2020, 28.01.2021 and 31.03.2021.

## COMPOSITION OF THE BOARD AND CATEGORY OF DIRECTORS

The Composition of the Board, the category of Directors’ and their attendance at the Board Meeting held during the year is as follows.

Directors	Category & Designation	No. of Board meetings attended	Last AGM attendance (Yes/No)	Other Directorship ^	No. of Committees in which Chairperson/member #	
					Chairperson	Member
Mr. Amit Bakshi (DIN: 01250925)	Promoter, Executive, Managing Director and Chairperson	6	Yes	0	0	0
Mr. Inderjeet Singh Negi (DIN: 01255388)	Promoter, Executive and Whole-time Director	5	Yes	3	0	1
Mr. Kaushal Shah (DIN: 01229038) Appointed w.e.f. 04.08.2020	Promoter, Executive and Whole-time Director	2	Yes	3	0	0
Mr. Krishnakumar Vaidyanathan (DIN: 08976508) – Appointed w.e.f. 20.12.2020	Executive Director	2	NA	0	0	1
Mrs. Vijaya Sampath (DIN: 00641110)	Non-Executive and Independent Director	6	Yes	10	1	5
Mr. Prashant Gupta (DIN:08122641)	Non-Executive and Independent Director	5	Yes	0	0	1
Mr. Rajeev Dalal (DIN: 00222650) – Appointed w.e.f. 19.12.2020	Non-Executive and Independent Director	2	NA	0	0	1
Ms. Kalpana Unadkat (DIN: 02490816) – Appointed w.e.f. 05.01.2021	Non-Executive and Independent Director	1	NA	2	0	3

^ The above list of ‘other directorships’ is based on declaration received from the respective Directors and does not include directorship in this Company.

# The Committee (Audit and Stakeholders’ Relationship Committee only) Memberships and Chairmanship in Companies includes all public companies (including this Company) and does not include private limited, foreign and Section 8 Companies.

**DIRECTORSHIP IN LISTED COMPANIES OTHER THAN ERIS LIFESCIENCES LIMITED**

Directors	Category & Designation	Name of Listed Company
Mr. Amit Bakshi (DIN: 01250925)	N.A	N.A
Mr. Inderjeet Singh Negi (DIN: 01255388)	N.A	N.A
Mr. Kaushal Shah (DIN: 01229038)	N.A	N.A
Mr. Krishnakumar Vaidyanathan (DIN: 08976508)	N.A	N.A
Mrs. Vijaya Sampath (DIN: 00641110)	Non-Executive and Independent Director	Safari Industries (India) Limited Craftsman Automation Limited Varroc Engineering Limited Intellect Design Arena Limited Ingersoll Rand (India) Limited VA TECH WABAG LIMITED
Mr. Prashant Gupta (DIN:08122641)	N.A	N.A
Mr. Rajeev Dalal (DIN: 00222650)	N.A	N.A
Ms. Kalpana Unadkat (DIN: 02490816)	Non-Executive and Independent Director	Avenue Supermarts Limited

All the information required to be furnished to the Board was made available to them along with detailed agenda notes. Information is also provided to the Board of Directors as and when required to make informed and timely decisions for the Company.

None of the Directors are related to each other in any way.

**As on 31st March, 2021, the details of Equity Shares held by Non-Executive Directors are as under:**

Name of Director	No. of Equity Shares held
Mrs. Vijaya Sampath	2220
Mr. Prashant Gupta	0
Mr. Rajeev Dalal	0
Ms. Kalpana Unadkat	0

The familiarisation programmes imparted to independent directors is available on <http://eris.co.in/policies/>

The Board, in their meeting, have assessed the veracity of the declaration given by the Independent Directors and confirmed that the Independent Directors comply with the provisions regarding independence specified in the SEBI LODR regulations and are independent from the Management of the Company.

During the year under review, Dr. Kirit Shelat, Independent director resigned before the expiry of his tenure. The requisite announcement made by the company together with applicable enclosure bringing out the required disclosure appears at <https://www.bseindia.com/xml-data/corpfiling/AttachHis/40bbd686-0dab-49e3-a8da-a65f9c8f8245.pdf>

The information required to be given for the Directors seeking appointment/ reappointment at the Annual General Meeting as per regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 are given in the Notice calling this annual general meeting.

**The Board of Directors identifies and approves the following core skills/expertise/competencies required by the Board of Directors for effective functioning of business and sector in which the Company operates:**

- Pharmaceutical Industry expertise;
- Financial expertise;
- Legal expertise;
- Out of Industry perspective;
- Familiarity with Company history gained through long employment;
- Marketing of brands in Pharma market.



The Directors of the Company possess the aforementioned core skills/expertise/competencies.

Name of Director	Pharmaceutical Industry expertise	Financial expertise	Legal expertise	Out of Industry perspective	Familiarity with Company history gained through long employment	Marketing of brands in Pharma market
Mr. Amit Bakshi (DIN: 01250925)	Y	Y	-	-	Y	Y
Mr. Inderjeet Singh Negi (DIN: 01255388)	Y	Y	-	-	Y	Y
Mr. Kaushal Shah (DIN: 01229038)	Y	Y	-	-	Y	Y
Mr. Krishnakumar Vaidyanathan (DIN: 08976508)	Y	Y	-	Y	-	-
Mrs. Vijaya Sampath (DIN: 00641110)	Y	Y	Y	Y	-	-
Mr. Prashant Gupta (DIN:08122641)	-	Y	Y	Y	-	-
Mr. Rajeev Dalal (DIN: 00222650)	Y	Y	-	Y	-	-
Ms. Kalpana Unadkat (DIN: 02490816)	-	Y	Y	Y	-	-

### 3. AUDIT COMMITTEE:

The composition of the Audit Committee is in compliance with the requirements of Section 177(2) and Regulation 18 of the Listing Regulations as on March 31, 2021 comprising of 4 (four) members out of which 1 (one) being executive director and 3 (three) non-executive independent directors.

During the year under review, the Audit Committee duly met 5 (Five) times on 02.06.2020, 26.06.2020, 04.08.2020, 03.11.2020 and 28.01.2021. The gap between any two successive Audit Committee meetings did not exceed one hundred and twenty days. The Composition as on 31st March, 2021 of the Audit Committee along with changes during the year are as follows:

Sr. No.	Name of the Director	Designation in relation to membership of the committee	No. of meetings attended
1	Mrs. Vijaya Sampath	Chairperson, Non-Executive Independent Director	5
2	Ms. Kalpana Unadkat @	Member, Non-Executive Independent Director	0
3	Mr. Prashant Gupta	Member, Non-Executive Independent Director	5
4	Mr. Krishnakumar Vaidyanathan @	Member, Executive Director	0
5	Mr. Kaushal Shah #	Member, Executive Director	2
6	Mr. Himanshu Shah \$	Member, Executive Director	0
7	Dr. Kirit Shelat &	Member, Non-Executive Independent Director	3

@ Appointed as Member of the Committee w.e.f. 29.01.2021.

# Appointed as member of the Committee w.e.f. 04.08.2020 and ceased to be member of the Committee w.e.f. 29.01.2021.

\$ Ceased to be member of the Committee and Director of the Company w.e.f. 31.05.2020.

& Ceased to be Member of the Committee and Director of the Company w.e.f from 11.09.2020.

All recommendations made by the Audit Committee during the year under review have been accepted by the Board of Directors.

### BRIEF DESCRIPTION OF THE TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The Audit Committee is responsible for the discharge of its statutory role as per framework provided under the Companies Act, 2013 and the applicable SEBI rules and regulations. It covers, inter alia, the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors (including chief internal auditor of the Company and external auditors) and the fixation of the audit fee;

3. Approval of payment to statutory auditors or external auditors for any other services rendered by them;
4. Reviewing, the financial statements with respect to its unlisted Subsidiary(ies), in particular investments made by such Subsidiary(ies);
5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements and auditor's report thereon 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 utilized 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 statutory auditor's and Internal Auditors independence and performance and discuss the same with the management and review effectiveness and adequacy of audit process and review Internal audit reports relating to internal control weaknesses;
8. Approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed and mandatorily review Statement of significant related party transactions;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. 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;
13. Reviewing compliance with internal and statutory audit reports and examine reasons for substantial defaults and delays in implementing audit recommendations;
14. 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;
15. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
16. Reviewing the functioning of the whistle blower mechanism;
17. Review of statutory compliances and legal cases
18. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate; and
19. Carrying out any other functions required to be carried out by the Audit Committee in terms of applicable law.
20. Mandatorily review Management discussion and analysis of financial condition and results of operations;
21. Management letters / letters of internal control weaknesses issued by the statutory auditors;
22. Statement of deviations in terms of the SEBI Listing Regulations:
  - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the SEBI Listing Regulations;
  - b. Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI Listing Regulations.

#### 4. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The composition of the Stakeholders Relationship Committee is in compliance with the requirements of Section 178(5) and Regulation 20 of the Listing Regulations as on March 31, 2021, comprising of 3 (three) members out of which 1 (one) being executive director and 2 (two) non-executive directors. As on 31st March, 2021 there was no Chairperson.

The Composition as on 31st March, 2021 of the Stakeholders Relationship Committee along with changes during the year are as follows:

Sr. No.	Name of the Director	Designation in relation to membership of the committee	No. of meetings attended
1	Mr. Rajeev Dalal @	Member, Non-Executive Independent Director	0
2	Ms. Kalpana Unadkat @	Member, Non-Executive Independent Director	0
3	Mr. Inderjeet Singh Negi	Member, Executive Director	1
4	Mr. Prashant Gupta #	Member, Non-Executive Independent Director	1
5	Mr. Kaushal Shah \$	Member, Executive Director	1
6	Dr. Kirit Shelat &	Member, Non-Executive Independent Director	0
7	Mrs. Vijaya Sampath *	Member, Non-Executive Independent Director	0
8	Mr. Himanshu Shah ^	Member, Executive Director	0

@ Appointed as Member of the Committee w.e.f 29.01.2021.

# Ceased to be member of the Committee w.e.f. 29.01.2021.

\$ Appointed as member of the Committee w.e.f. 04.08.2020 and ceased to be member of the Committee w.e.f. 29.01.2021.

& Ceased to be Member of the Committee and Director of the Company w.e.f from 11.09.2020.

\* Ceased to be member of the Committee w.e.f. 07.08.2020.

^ Ceased to be member of the Committee and Director of the Company w.e.f. 31.05.2020.

The committee carries out functions enumerated in the SEBI Listing Regulations. During the year under review the Stakeholders Relationship Committee duly met 1 (one) time on 28.01.2021. Mr. Milind Talegaonkar, Company Secretary acts as the Compliance Officer of the Company.

**Number of Shareholder Complaints Received, Solved and Pending during the year:**

No. of Complaints Received	No. of Complaint not Solved to the satisfaction of shareholders	No. of Complaints Pending
6	0	0

**The terms of reference of the Committee, inter alia, includes the following:**

- Considering and resolving grievances of shareholders', debenture holders and other security holders;
- Redressal of grievances of the security holders of the Company, including complaints in respect of allotment of Equity Shares, transfer of Equity Shares, non-receipt of declared dividends, annual reports, balance sheets of the Company, etc.;
- Allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;
- To consider and approve, any and all requests of the Security(ies) holders of the Company, for re-materialisation or de-materialisation of the Securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;

**5. NOMINATION AND REMUNERATION COMMITTEE:**

The composition of the Nomination and Remuneration Committee is in compliance with the requirements of Section 178(1) and Regulation 19 of the Listing Regulations as on March 31, 2021, comprising of 4 (Four) members out of which 3 (three) being non-executive independent directors and 1 (one) being Chairperson and Managing Director of the Company.

The Composition as on 31st March, 2021 of the Nomination and Remuneration Committee along with changes during the year are as follows:

Sr. No.	Name of the Director	Designation in relation to membership of the committee	No. of meetings attended
1	Mrs. Vijaya Sampath	Chairperson, Non-Executive Independent Director	3
2	Mr. Prashant Gupta	Member, Non-Executive Independent Director	2
3	Mr. Rajeev Dalal @	Member, Non-Executive Independent Director	1
4	Mr. Amit Bakshi	Member (Chairperson of the Company, Executive Director)	3
5	Dr. Kirit Nanubhai Shelat #	Chairperson, Non-Executive Independent Director	1

@ Appointed as Member of the Committee w.e.f 29.01.2021.

# Ceased to be Member of the Committee and Director of the Company w.e.f from 11.09.2020.

The committee carries out functions enumerated in the SEBI Listing Regulations. During the year under review the Nomination and Remuneration Committee duly met 3 (Three) times on 04.08.2020, 28.01.2021 and 31.03.2021.

The Nomination and Remuneration Committee, in its meeting held on 29th January, 2019, has adopted the following parameters to evaluate the performance of Non-Executive Directors:

- Attendance at meetings of the Board and Committees thereof,
- Extent of participation through discussions in the Board meetings or Committee thereof,
- Contribution to strategic decision making,
- Inputs received while making risk assessments and suggestions on risk mitigation,
- Inputs received during the review of financial statements, business performance,
- Overall contribution to the enhancement of brand image of the Company,
- performance of the directors,
- fulfilment of the independence criteria as specified in applicable regulation of SEBI LODR Regulations, 2015 and their independence from the management

**Managing Director and the Whole-time Director(s) and other Executive director(s):**

- appropriate benchmarks set as per industry standards,
- the performance of the role occupant.

**The terms of reference of the Committee, inter alia, includes the following:**

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Recommend to the board, all remuneration, in whatever form, payable to senior management
- Formulation of criteria for evaluation of independent directors and the Board;

- Devising a policy on Board diversity;
- 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 their appointment and removal and shall carry out evaluation of every director's performance (including independent director);
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of directors;
- To administer and superintend the ESOP scheme of the company.

## 6. CSR COMMITTEE

As on 31st March, 2021 the CSR Committee comprises of 3 (three) members out of which 2 (two) are executive directors and 1 (one) are non-executive Independent Director of the Company. The committee carries out functions enumerated in the Act. During the Year Company has conducted only One Meeting on 26.06.2020.

The Composition as on 31st March, 2021 of the CSR Committee along with changes during the year are as follows:

Sr. No.	Name of the Director	Designation in relation to membership of the committee	No. of meetings attended
1	Mr. Inderjeet Singh Negi	Chairperson, Executive Director	1
2	Mr. Kaushal Shah @	Member, Executive Director	0
3	Mr. Rajeev Dalal #	Member, Non-Executive Independent Director	0
4	Dr. Kirit Shelat \$	Member, Non-Executive Independent Director	1
5	Mr. Prashant Gupta &	Member, Non-Executive Independent Director	1
6	Mr. Himanshu Shah ^	Member, Executive Director	0

@ Appointed as member of the Committee w.e.f. 04.08.2020.

# Appointed as Member of the Committee w.e.f. 29.01.2021.

\$ Ceased to be Member of the Committee and Director of the Company w.e.f. from 11.09.2020.

& Ceased to be member of the Committee w.e.f. 29.01.2021.

^ Ceased to be member of the Committee and Director of the Company w.e.f. 31.05.2020.

The Company has spent Rs. 59.33 Million on CSR activities during the said financial year.

The terms of reference of the CSR Committee, inter alia, includes the following:

- Recommending the amount of expenditure to be incurred on the activities referred to in clause (a) of sub-section (3) of Section 135 of the Companies Act, 2013 for every financial year; and
- Monitoring the Corporate Social Responsibility Policy of your Company from time to time and recommending to the Board, any amendments in Corporate Social Responsibility Policy indicating activities that can be undertaken by the Company as specified in Schedule VII to the Companies Act 2013.

## 7. EXECUTIVE COMMITTEE MEETING

As on 31st March, 2021 the Executive Committee comprises of 4 (four) members, all being executive directors. During the Year Company has conducted five Meetings on 18.05.2020, 23.06.2020, 24.07.2020, 16.11.2020 and 21.01.2021.

The Composition as on 31st March, 2021 of the Executive Committee are as follows:

Sr. No.	Name of the Director (and designation in relation to membership of the committee)	Executive / Non-executive	Independent / Non-Independent	No. of Meeting Attended
1	Mr. Amit Bakshi - CHAIRPERSON	Executive	Non-Independent	5
2	Mr. Inderjeet Singh Negi – Member	Executive	Non-Independent	5
3	Mr. Kaushal Shah – Member @	Executive	Non-Independent	2
4	Mr. Krishnakumar Vaidyanathan – Member #	Executive	Non-Independent	0
5	Mr. Himanshu Shah \$	Executive	Non-Independent	0

@ Appointed as member of the Committee w.e.f. 04.08.2020.

# Appointed as Member of the Committee w.e.f. 29.01.2021.

\$ Ceased to be member of the Committee and Director of the Company w.e.f. 31.05.2020.

**The terms of reference of the Executive Committee, inter alia, includes the following:**

- Deal with the day-to-day activities of the Company business including all operational matters affecting it;
- Develop and implement the adopted business plans, policies, guidelines, strategies, procedures, budgets and operational plans;
- Monitor and manage the operating and financial performance of the Company;
- Optimise, prioritise and allocate investment and resources;
- Manage and develop talent and undertake succession planning;
- Manage the risk profile of the Company;
- Give or make available to the Board such information, reports and other documents to enable it to carry out its duties.
- Be responsible for the identification, management, and mitigation of risk(s) across the Company's business;
- Manage the internal controls environment;
- Be responsible and accountable for the integrity of management information and financial reporting systems;
- Review the legal structure and propose recommendations for its improvement to the Board based thereon; and
- Borrow monies in terms of Section 179(3)(d) of the Act read with the first proviso thereto not exceeding an amount of INR 1000 crores (onethousand crores only) in the aggregate
- Invest the funds of the Company in terms of Section 179(3)(e) of the Act read with the first proviso thereto within the aforesaid overall limit of INR 1000 crores (one thousand crores only).
- Grant loans or give guarantee or provide security in respect of loans in terms of Section 179(3)(f) read with the first proviso thereto within the limits available to the Board from time to time.
- All actions and decisions ancillary, incidental, or connected to the above unless those are ultra-vires the Company or fall within the terms of reference of any other committee of the Board or is only exercisable by the general body, or is specifically required by the prevailing Company Laws to be exercisable only by the Board without permitting any committee delegation thereof.

**8. RISK MANAGEMENT COMMITTEE:**

As on 31st March, 2021 the Risk Management Committee comprises of 4 (Four) members out of which 3 (three) are executive directors and 1 (one) is employee of the Company. The committee carries out functions enumerated in the Act. The composition as on 31st March, 2021 of the risk management committee along with changes during the years are as follows:

Sr. No.	Name of the Director	Designation in relation to membership of the committee	No. of Meeting Attended
1	Mr. Inderjeet Singh Negi @	Chairperson, Executive Director	1
2	Mr. Amit Bakshi	Member, Executive Director	1
3	Mr. Sachin Shah	Member, CFO	1
4	Mr. Kaushal Shah #	Member, Executive Director	0
5	Mr. Krishnakumar Vaidyanathan #	Member, Executive Director	0

@ Ceased as Member of the Committee w.e.f 29.01.2021.

# Appointed as member of the Committee w.e.f. 29.01.2021.

During the Year Company has conducted only One Meeting on 28.01.2021.

**Terms of Reference for the Risk Management Committee:**

**The Risk Management Committee shall be responsible for, among other things,** as may be required by the stock exchanges from time to time, for the following:

- Framing of Risk Management Plan and / or Policy;
- Overseeing implementation / Monitoring of Risk Management Plan and / or Policy;
- Validating the process of Risk Management;
- Validating the procedure for Risk Minimization;
- Periodically reviewing and evaluating the Risk Management Plan and / or Policy and practices with respect to risk assessment and risk management processes;
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed;
- Review of development and implementation of a risk management policy / plan including identification therein of element of risk;
- Annual performance evaluation of the Committee;
- Cyber Security risk management and mitigation;
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

**9. INDEPENDENT DIRECTORS MEETING:**

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, separate meeting of Independent Directors was held on 30.03.2021 without the participation of Non-Independent Directors and members of the management. The Independent Directors discussed on various aspects, viz. performance of non-independent directors and the Board as a whole, performance of the Chairperson of the Company, quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**10. REMUNERATION OF THE DIRECTORS**

- Transactions with the non-executive directors: - The Company does not have material pecuniary relationship or transactions with its non-executive directors. The Company has paid sitting fees to non-executive directors for attending the meetings of the Board / Committees / sub-committees. Further the Company has paid commission to non-executive directors.
- Criteria for making payments to Non-Executive Directors are available on the Company's website: <http://eris.co.in/policies/>
- Disclosures with respect to remuneration:

In addition to the disclosures required under Companies Act, 2013, as given in extract of annual return, the disclosure regarding remuneration are as follows:

- Details of fixed component and performance linked incentives, along with the performance criteria:

(Amount in Rupees)

Sr. No.	Particulars	Mr. Amit Bakshi* Chairperson & Managing Director	Mr. Kaushal Shah** Executive Director	Mr. Inderjeet Singh Negi*** Executive Director	Mr. Krishnakumar Vaidyanathan**** Executive Director & COO	Mr. Himanshu Shah***** Executive Director
1	Basic Salary	1,45,83,330	17,50,000	41,70,837	49,87,500	25,66,664
2	Fixed components	1,21,16,829	29,16,424	74,20,826	1,06,59,232	47,57,278
3	Variable components	0	0	0	0	0
4	Joining Bonus	0	0	0	2,00,00,000	0
5	Total	2,67,00,159	46,66,424	1,15,91,663	3,56,46,732	73,23,942

\* Mr. Amit Bakshi opted to forgo the variable component of his remuneration and part of the salary amounting to Rs. 22.4 million.

\*\* Mr. Kaushal Shah opted to forgo the part of the salary amounting to Rs. 0.58 million

\*\*\* Mr. Inderjeet Negi opted to forgo the part of the salary amounting to Rs. 1.05 million

\*\*\*\* The company has paid one time joining bonus to Mr. Krishnakumar Vaidyanathan amounting to Rs. 20 million.

\*\*\*\*\* Mr. Himanshu Shah opted to forgo the part of the salary amounting to Rs. 0.91 million and he resigned from the Board w.e.f.31.05.2020.

**Non-Executive Directors:**

During the year under review sitting fees and commission were paid to the Non-Executive Directors including Independent Directors of the Company which are as under;

Name of Director	Amount of sitting fees paid	Amount of commission paid
Mrs. Vijaya Sampath	10,50,000	5,00,000
Dr. Kirit Shelat	6,00,000	-
Mr. Prashant Gupta	10,50,000	5,00,000
Mr. Rajeev Dalal	2,25,000	8,50,000
Ms. Kalpana Unadkat	75,000	8,40,000

Performance criteria includes the growth, consolidation, Position of the Company in Indian Pharmaceutical Market (IPM), Compliance Record, comparison with the peer group as assessed/ adjudged along with other criteria as decided by the Board / Committee time to time.

- There are no separate service agreements executed by the Company and its Directors. However, the Company has executed following agreements:
  - Managing Director Employment Agreement with Mr. Amit Bakshi.
  - Employment Agreement with Mr. Kaushal Shah and Mr. Inderjeet Singh Negi.

The Non-Executive/Independent Directors are entitled to commission and sitting fees in respect of the meetings of the Board and its committee/ sub-committees attended by them and they are also entitled to reimbursement of all expenses for participation in the Board and other meetings in accordance with the Letter of Appointment issued to them.

Apart from the above agreements and letters of appointments, there are no service agreements/severance fees executed / paid by the Company to the Directors. For all the above mentioned agreements notice period is/ would be 120 days. Non Executive Director may resign from his/her position at any time after serving a reasonable written notice to the Board.

- The Company has not granted any ESOPs to any of the Directors of the Company.



## 11. GENERAL BODY MEETINGS:

The last three Annual General Meetings (AGM) were held as under:

Sr. No.	Financial Year	Day and Date	Time	Location
1	2017-18	Saturday, 29th September, 2018	11:00 A.M.	HT Parekh Hall, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015
2	2018-19	Friday, 27th September, 2019	11:00 A.M.	Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015
3	2019-20	Tuesday, 29th September, 2020	11:00 A.M.	Through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”) Deemed venue: 8th Floor, Commerce House- IV, Prahladnagar, 100 ft road Ahmedabad GJ 380015

### Special Resolution passed in last three AGM:

In 12th AGM held on 29th September, 2018 following special resolutions were passed:

- To approval of the change in the ‘Object Clause’ of the Memorandum of Association of the Company;
- To authorise the Board of Director to sell, lease or dispose of the undertaking of the company.

In 14th AGM held on 29th September, 2020 following special resolution was passed:

- To appoint Mr. Kaushal Shah as a Whole-time Director of the Company.

Other than above no special resolutions were passed in last three Annual General Meetings.

The Company neither passed any resolution through postal ballot during the year under review nor any special resolution is proposed to be conducted through postal ballot.

## 12. 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.eris.co.in](http://www.eris.co.in).

**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.eris.co.in](http://www.eris.co.in)), 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.

## 13. GENERAL SHAREHOLDER INFORMATION:

(i)	Annual General Meeting Day, Date, Time and Venue	Day : Wednesday Date: 1st September, 2021 Time: 11:00 a.m. Venue : 8th Floor, Commerce House IV, Prahladnagar, Ahmedabad – 380015
(ii)	Financial Year	1st April, 2020 to 31st March, 2021
(iii)	Date of Book Closure	25th August, 2021
(iv)	Dividend Payment Date	Not Applicable
(v)	ISIN No. for ordinary shares of the Company in Demat form	INE406M01024
(vi)	Registered Office	8th Floor, Commerce House IV, Prahladnagar, 100 Feet Road, Ahmedabad – 380015
(vii)	Registrar and Transfer Agent	Link Intime India Pvt. Ltd. C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai-400083
(vii)	Investor Correspondence	7th Floor, Commerce House-IV, Nr. Prahlad Nagar, 100ft. Road, Ahmedabad – 380015

(ix)	Plant Location	Plot no. 30 and 31, Brahmaputra Industrial Park, Under Mouza-Sila, Senduri Ghopa, Amingaon, North Guwahati, Guwahati 781 031 Assam, India
(x)	Any Website where it displays official releases	<a href="http://www.eris.co.in">http://www.eris.co.in</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 Annual Report.
(xiv)	Share Transfer System	The work of physical share transfer is presently handled by Registrar and Transfer Agent. The work of electronic transfer of shares is done through the depositories.
(xv)	Auditors for the FY 2020-21 and Proposed Auditors for the FY 2021 – 2022	M/s Deloitte Haskins & Sells LLP
(xvi)	Compliance Officer	Mr. Milind Talegaonkar
(xvii)	Company Secretary	Mr. Milind Talegaonkar
(xviii)	Whether securities are suspended from trading	No

**Listing on Stock Exchange(s):**

Sr. No.	Name of Stock Exchange	Address of Stock Exchange	Stock Code
1	BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001	540596
2	National Stock Exchange of India Limited	Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051	ERIS

Notes: Annual Listing fees for the Financial Year 2020 -21 has been duly paid to the stock exchanges.

**Market price data of the Company:**

Month	BSE Limited		National Stock Exchange of India Limited	
	Month's High Price	Month's low Price	Month's High Price	Month's low Price
Apr-20	527.45	367.00	527.8	365.05
May-20	511.7	463.55	515	460.05
Jun-20	593.4	455	595	454.4
Jul-20	499	400	497	400.8
Aug-20	589.9	460	590	480
Sep-20	569.1	470	570	470
Oct-20	547.45	486.05	555	484
Nov-20	536	498.45	536.55	497.45
Dec-20	605	516	605	516.8
Jan-21	642.5	568.6	643.2	568
Feb-21	633	552.85	627.5	473.5
Mar-21	644	568.05	645.25	568.7

Performance of the Share price of the Company in comparison to the BSE SENSEX and NSE NIFTY:



14. FINANCIAL CALENDAR:

Report Period	: From 1st April 2021 to 31st March 2022
First Quarter Result	: Last Week of July, 2021 (tentative)
Second Quarter Result	: Last Week of October, 2021 (tentative)
Third Quarter Result	: Last Week of January, 2022 (tentative)
Fourth Quarter Result	: Second Week of May, 2022 (tentative)

15. DISTRIBUTION OF SHAREHOLDINGS AND SHARE HOLDING PATTERN

Distribution schedule: (AS ON 31-03-2021):

Distribution of Shares	No of Share Holders	Percentage to Total No. of Shareholders	No of Shares Held	Percentage to Total Share Capital
1 – 500	41044	98.06	1800504	1.32
501 – 1000	435	1.03	317762	0.23
1001 – 2000	152	0.36	213927	0.15
2001 – 3000	40	0.09	97726	0.07
3001 – 4000	36	0.08	123848	0.09
4001 – 5000	15	0.03	70519	0.05
5001 – 10000	32	0.07	240156	0.17
Above 10001	100	0.23	132916211	97.89
Grand Total	41854	100.00	135780653	100.00

Shareholding Pattern:

CATEGORY WISE SHAREHOLDING PATTERN AS ON 31ST MARCH, 2021:

Sr. No.	Category	No. of Shares Held	% of Holding
1	<b>Promoter &amp; Promoter Group</b>		
	Indian	73503934	54.13
	Foreign	0	0
2	<b>Public</b>		
	Institutions	29987262	22.09

Central Government/ State Government(s)/President of India	0	0
Non-Institutions	32289457	23.78
<b>3 Non Promoter - Non Public</b>		
Custodian/DR Holder	0	0
Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0
<b>Total (1+2+3)</b>	<b>137580653</b>	<b>100</b>

#### 16. DEMATERIALIZATION OF SHARES AND LIQUIDITY.

The Company's shares are available for dematerialization on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). All the shares except 9 Equity shares of the Company have been dematerialised by investors as on 31st March, 2021. All shares of the Company except Lock-in shares are liquid and actively traded in normal volume on BSE Limited and National Stock Exchange of India Limited.

#### 17. OUTSTANDING GDRS / ADRS / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2021, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

#### 18. FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

Risk of exchange rate volatility is mitigated by splitting and spreading the foreign exchange payments between the date of issue of import orders and the final payment against receipt of supplies. The Company has obtained necessary authorisations for covering the foreign exchange exposure. The decision to avail hedging is taken on case to case basis.

#### 19. CREDIT RATING:

During the year under review no credit rating was required by the Company.

#### 20. OTHER DISCLOSURES:

(a) Materially significant related party transactions:

There were no materially significant related party transactions during the year under review that may have potential conflict with the interests of the Company at large.

(b) Details of noncompliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any Authority on any matter related to capital markets during last three years: During the period under review the Company has received notice regarding noncompliance of Regulation 17 and Regulation 23(9) from the stock exchanges. The Company has duly paid fines to both the exchanges.

(c) Whistle Blower Policy

In accordance with the requirements of the Act, read with SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, the Company has in place the Whistle Blower Policy approved by the Board of Directors. The Company affirms that no personnel has been denied access to the Audit Committee. The said policy has been uploaded on the website of the Company - <http://www.eris.co.in/policies>.

(d) Compliance with mandatory requirements and adoption of non-mandatory requirements:

The Company has complied with all mandatory requirements of Regulation 34 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015. However, at present the Company has not adopted the non-mandatory requirements of Regulation 27 read with Part E of schedule II of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 except Reporting of Internal Auditor to the Audit Committee.

(e) The Company has in place the Policy for determining Material subsidiaries and the said policy has been uploaded on the website of the Company-  
<http://www.eris.co.in/policies>.

(f) The Company has in place the policy on dealing with related party transactions and the said policy has been uploaded on the website of the Company-  
<http://www.eris.co.in/policies>.

(g) Disclosure of accounting treatment different from accounting standards: None

(h) The Company has not raised funds through preferential allotment or qualified institutions placement.

(i) Certificate from Mr. Ravi Kapoor, Practising Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI, Ministry of Corporate Affairs or any such other Statutory Authority, as stipulated under Regulation 34(3) of the Listing Regulations, is given below:

**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  
**ERIS LIFESCIENCES LIMITED**  
 8th Floor, Commerce House- IV,  
 Prahladnagar, 100 ft road,  
 Ahmedabad – 380 015

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Eris Lifesciences Limited** having CIN **L24232GJ2007PLC049867** and having registered office at 8th Floor, Commerce House- IV, Prahladnagar, 100 ft road Ahmedabad – 380015 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sr.No	Name of Director	DIN	Date of appointment in Company
1	Rajeev Dalal	00222650	19/12/2020
2	Vijaya Sampath	00641110	03/02/2017
3	Kaushal Kamlesh Shah	01229038	04/08/2020
4	Amit Indubhushan Bakshi	01250925	27/01/2007
5	Inderjeet Singh Negi	01255388	27/01/2007
6	Prashant Gupta	08122641	30/04/2018
7	Kalpana Vasantraai Unadkat	02490816	05/01/2021
8	Krishnakumar Vaidyanathan	08976508	20/12/2020

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated above for the Financial Year ending on 31st March, 2021 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,

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My 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.

Date: 13th May, 2021  
 Place: Ahmedabad

For, Ravi Kapoor and Associates

Ravi Kapoor  
 Proprietor  
 Mem. No FCS. 2587  
 CP No. 2407  
 UDIN: F002587C000289797

- (j) The Board of Directors accepted all the recommendations given by any committee of the Board during the financial year under review.
- (k) 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 Rs. 50,05,852/-
- (l) Disclosure required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
  - Number of Complaints outstanding at the beginning of the financial year: Nil
  - Number of complaints filed during the financial year: Nil
  - Number of complaints disposed of during the financial year: Nil
  - Number of complaints pending as on end of the financial year: NilThere 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.

#### **21. UNCLAIMED SHARES LYING IN DEMAT SUSPENSE ACCOUNT:**

The balance in the demat suspense account or unclaimed suspense account is nil.

#### **22. DETAILS OF NON-COMPLIANCE**

No Penalties have been imposed by any stock exchanges and SEBI, nor has there been any instance of non-compliance with any legal requirements of corporate governance report other than those mentioned Secretarial Audit report issued by Secretarial Auditor of the Company.

#### **23. DISCLOSURE OF COMPLIANCE OF CORPORATE GOVERNANCE REQUIREMENT:**

The Company has complied with the corporate governance requirement as specified in regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI LODR Regulations.

#### **24. MANAGING DIRECTOR /CFO CERTIFICATION:**

The Chairperson and Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI LODR Regulations. The Chairperson and Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the SEBI LODR Regulations. The annual certificate given by the Chairperson and Managing Director and the Chief Financial Officer is given below:

## COMPLIANCE CERTIFICATE PURSUANT TO REGULATION 17(8) OF SEBI LODR, 2015

To,  
The Board of Directors.  
Eris Lifesciences Limited

We, Amit Bakshi, DIN: 01250925, Chairperson & Managing Director and Sachin Shah, Chief Financial Officer of Eris Lifesciences Limited ("Company") to the best of our knowledge and belief certify that:

- A. We have reviewed standalone as well as consolidated financial statements and the cash flow statement of the Company for the quarter / year ended 31st March, 2021 and that to the best of their knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
- (1) There has not been any significant changes in internal control over financial reporting during the year;
  - (2) There has not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) There has not been any instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Ahmedabad  
Date: 13.05.2021

Amit Bakshi  
Chairperson & Managing Director  
DIN: 01250925

Sachin Shah  
Chief Financial Officer

### 25. CODE OF CONDUCT:

The Board of Directors has laid down the Code of Conduct for all the Board Members and members of the senior Management. The code is a comprehensive code applicable to all Directors, Executive as well as Non – executive and members of the Senior Management. The Code has been circulated to all the members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them.

The Code has been uploaded on the website of the Company.

### 26. DECLARATION BY THE MANAGING DIRECTOR PURSUANT TO REGULATION 26 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

The Company has obtained affirmation from all the members of the Board and Senior Management Personnel of the Company that they have complied with the Code of Conduct for Board of Directors and Senior Management Personnel in respect of the financial year 2020 – 2021.

I, Amit Bakshi, Chairperson & Managing Director of Eris Lifesciences Limited, declare that the Company has obtained affirmation from all the members of the Board and Senior Management Personnel of the Company, that they have complied with the Code of Conduct for Board of Directors and Senior Management Personnel in respect of the financial year 2020 – 2021.

Place: Ahmedabad  
Date: 13.05.2021

Amit Bakshi  
Chairperson & Managing Director  
DIN: 01250925

### 27. COMPLIANCE CERTIFICATE OF THE PRACTICING COMPANY SECRETARY

Certificate from the Practicing Company Secretary regarding compliance of conditions of corporate governance, as stipulated under Regulation 34 of the SEBI Regulations appears as under:



## COMPLIANCE CERTIFICATE

To,  
The Board of Directors.  
**Eris Lifesciences Limited**

We have examined the Compliance Conditions of Corporate Governance by Eris Lifesciences Limited for the year ended on 31st March, 2021 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 01st April, 2020 to 31st March, 2021. 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 Listing Regulations except in following cases:

- For the period 11.12.2020 to 18.12.2020, Board of Directors of the Company comprises of 5 Directors, which is below of statutory requirement of having at least 6 Directors on the Board. Further, for the period 11.12.2020 to 18.12.2020 and 20.12.2020 to 04.01.2021, Board of Directors of the Company does not comprise of adequate no. of Non-Executive and Independent Directors. Accordingly, to that extent Company has not complied with provisions of Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Company made delay of 11 days for submission of disclosure of Related Party Transactions on consolidated basis for the quarter ended on 30th September, 2020. Accordingly, provisions of Regulation 23 (9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not complied with.

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: 13th May, 2021  
Place: Ahmedabad

Ravi Kapoor & Associates

Ravi Kapoor  
Proprietor  
Mem. No FCS. 2587  
COP No.: 2407  
UDIN: F002587C000300632

# Eris

## ERIS LIFESCIENCES LIMITED

Registered Office: 8th Floor, Commerce House IV, Prahladnagar, 100 Feet Road,  
Ahmedabad – 380015

Email: [complianceofficer@erislifesciences.com](mailto:complianceofficer@erislifesciences.com) Website: [www.eris.co.in](http://www.eris.co.in)  
Tel: +91 79 3045 1000 Fax: +91 79 3017 9404  
CIN: L24232GJ2007PLC049867

**DISCLOSURES WITH RESPECT TO EMPLOYEES’ STOCK OPTION PLAN, 2017 OF THE COMPANY PURSUANT TO RULE 12 OF THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014, REGULATION 14 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AND SEBI CIRCULAR CIR/CFD/POLICY CELL/2/2015 DATED JUNE 16, 2015 AS ON MARCH 31, 2021:**

- A. Relevant disclosures in terms of the ‘Guidance note on accounting for employee share-based payments’ issued by ICAI or any other relevant accounting standards as prescribed from time to time:**  
Members may refer to the audited financial statements prepared as per IND AS for the year 2020-2021.
- B. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Ind-AS 33:**  
Diluted EPS for the year ended March 31, 2021 is Rs. 25.80 calculated in accordance with Ind-AS 33 (Earnings per Share)
- C. Details related to Employees’ Stock Option Plan, 2017 (“ESOP 2017”)**

Sr. No.	Description	Details
1	Date of Shareholders’ Approval	3rd February, 2017 29th September, 2017 (Ratified)
2	Total Number of Options approved under ESOPs	3,91,599 equity shares
3	Vesting requirements	Options granted under ESOP 2017 would vest not earlier than 1 (One) year and not later than 5 (Five) years from the date of Grant of such Options.  The Option would vest on completion of vesting period and the vesting of options would be subject to continued employment/service with the Company.  The Nomination and Remuneration Committee of the Company/Compensation Committee may specify certain performance parameters subject to which the Options would vest.  The Options would vest in a Director only if he continues to remain a Director of the Company on the date of the Vesting of Options. Vesting of Options in case of Employees on long leave: The period of leave shall not be considered in determining the Vesting Period in the event the Employee is on a sabbatical. In all other events including approved earned leave and sick leave, the period of leave shall be included to calculate the Vesting Period unless otherwise determined by the Board.

4	Exercise Price	The Exercise Price per Option shall be such price as may be determined by the Nomination and Remuneration Committee of the Company / Compensation Committee being not less than the face value of an equity share of the Company as on the date of grant of Option. The Exercise price of options (as of the date of grant of options) was determined as Rs. 451.04.
5	Pricing Formula	Discount to fair market value of the Equity Shares as on the date of grant.
6	Maximum term of option granted	The options would vest over a maximum period of 5 years from the date of grant of Options.
7	Sources of Shares	Primary
8	Variation in terms of options	Nil
9	Method used to account for ESOPs	Black Scholes Option Pricing Model.
10	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall be disclosed	NA
11	Option movement during the year as on March 31, 2021	
	a Number of options outstanding at the beginning of the period	3,21,930
	b Number of options granted during the year	Nil
	c Number of options forfeited/ lapsed during the year	48,221
	d Number of option vested during the year	-68,176
	e Number of options exercised during the year	0
	f Number of shares arising as a result of exercise of options	0
	g Money realised by exercise of options (INR), if scheme is implemented directly by the company	0
	h Loan repaid by the trust during the year from exercise price received	NA
	i Number of options outstanding at the end of the year	-2,73,709
	j Number of options exercisable at the end of the year	1,56,977
12	Weighted average exercise prices and weighted average fair values of options disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted average exercise prices: Rs. 451.04 Weighted average fair values: Rs 268.77
13	Employee- wise details of options granted during the year to:	
	i Senior Managerial Personnel and / or Key Managerial Personnel	Nil
	ii Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Nil
	iii Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil

**13. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:**

- a. The weighted average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk free interest rate and any other inputs to the model:

Sr. No	Particular	2020-21
i	weighted average risk free interest rate	6.91%
ii	weighted average expected option life (in Years)	5.50
iii	weighted average expected volatility	20.56%
iv	weighted average expected dividend yield	1.00%
v	weighted average share price	601.38
vi	weighted average exercise price (rounded to nearest decimal)	451.04

- b. The method used and the assumptions made to incorporate the effects of expected early exercise:  
Black Scholes Option Pricing Model. The assumptions are as stated in the above table.
- c. How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility:  
The expected volatility has been calculated based on the nearest comparable peers prices, as the historical data of the Company is not available considering the unlisted status of your Company as at grant date of stock options.
- d. Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition:  
Yes, the features are mentioned below, viz:
- weighted average risk free interest rate
  - weighted average expected volatility
  - weighted average share price

**Disclosures in respect of grants made in three years prior to IPO under each ESOP:**

- During the year 2016-17, the ESOP scheme 2017 was approved but no grants were made.
- On April 12, 2017 all options under the said scheme i.e. 391,599 options were granted prior to the IPO.

**Information regarding options Lapse:**

- During the year 2017-18, 23,281 options became unexercisable.
- During the year 2018-19, 11,640 options became unexercisable/Lapsed.
- During the year 2019-20, 14,965 Options became unexercisable/Lapsed.
- During the year 2020-21, 48,221 Options became unexercisable/Lapsed.
- The Company has re-credited total 98,107 options to options reserved till signing of the report.

**For Eris Lifesciences Limited**

**Amit Bakshi**

DIN: 01250925

Chairperson & Managing Director

Ahmedabad, 13th May 2021

**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 arms length transactions under third proviso thereto. (FY 2020-21)

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

a. Name(s) of the related party and nature of relationship:	Not Applicable
b. Nature of contracts/arrangements/transactions:	Not Applicable
c. Duration of the contracts/arrangements/transactions:	Not Applicable
d. Salient terms of the contracts or arrangements or transactions including the value, if any:	Not Applicable
e. Justification for entering into such contracts or arrangements or transactions:	Not Applicable
f. Date(s) of approval by the Board, if any:	Not Applicable
g. Amount paid as advances, if any:	Not Applicable
i. Date on which the special resolution was passed in general meeting as required under first proviso to section 188:	Not Applicable

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

<b>1</b>									
a. Name(s) of the related party and nature of relationship:	Mr. Saurabh Shah (Brother of Mr. Himanshu Jayantbhai Shah, Whole Time Director of the Company)(Related party till 31st May 2020)								
b. Nature of contracts/arrangements/transactions:	Employment agreement								
c. Duration of the contracts/arrangements/transactions:	Appointed w.e.f 1st September, 2016								
d. Salient terms of the contracts or arrangements or transactions including the value, if any:	Regular employment; in the ordinary course of business of the Company. Requisite approval of General Meeting obtained for a monthly remuneration of Rs. 0.3 million. Subsequent yearly increase, not exceeding 20% to be made by the Board or any of its designated Committee.								
e. Date(s) of approval by the Board, if any:	21.05.2019 Note1								
f. Amount paid as advances, if any:	Nil								
<b>2</b>									
a. Name(s) of the related party and nature of relationship:	Subsidiaries of the Company [Aprica Healthcare Limited (Previously known as UTH Healthcare Limited), Kinedex Healthcare Private Limited and Eris Healthcare Private Limited]								
b. Nature of contracts/arrangements/transactions:	Intra Group licensing of Trade marks								
c. Duration of the contracts/arrangements/transactions:	Continuing								
d. Salient terms of the contracts or arrangements or transactions including the value, if any:	<table border="1"> <tr> <td>Monthly Net Sales</td> <td>% of Monthly Net Sales as royalty</td> </tr> <tr> <td>Upto Rs. 9.00 Crores</td> <td>1%</td> </tr> <tr> <td>Rs. 9 Crores to Rs. 12.00 Crores</td> <td>3%</td> </tr> <tr> <td>Above ` 12 Crores</td> <td>5%</td> </tr> </table>	Monthly Net Sales	% of Monthly Net Sales as royalty	Upto Rs. 9.00 Crores	1%	Rs. 9 Crores to Rs. 12.00 Crores	3%	Above ` 12 Crores	5%
Monthly Net Sales	% of Monthly Net Sales as royalty								
Upto Rs. 9.00 Crores	1%								
Rs. 9 Crores to Rs. 12.00 Crores	3%								
Above ` 12 Crores	5%								
e. Date(s) of approval by the Board, if any:	5th January, 2018 by Board's Committee and 12th February 2018 by Audit Committee								
f. Amount paid as advances, if any:	Nil								

<b>3</b>	
a. Name(s) of the related party and nature of relationship:	Aprica Healthcare Limited (Formerly known as UTH Healthcare Limited)
b. Nature of contracts/arrangements/transactions:	Transaction regarding sale / purchase of stock in trade
c. Duration of the contracts/arrangements/transactions:	Continuing
d. Salient terms of the contracts or arrangements or transactions including the value, if any:	Purchase: 1.55 Million Sale: 63.95 Million
e. Date(s) of approval by the Board, if any:	Since these transactions are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable
f. Amount paid as advances, if any:	Nil
<b>4</b>	
a. Name(s) of the related party and nature of relationship:	Eris Healthcare Private Limited
b. Nature of contracts/arrangements/transactions:	Transaction regarding sale / purchase of stock in trade
c. Duration of the contracts/arrangements/transactions:	Continuing
d. Salient terms of the contracts or arrangements or transactions including the value, if any:	Purchase: 45.46 Million Sale: 144.81 Million
e. Date(s) of approval by the Board, if any:	Since these transactions are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable
f. Amount paid as advances, if any:	Nil
<b>5</b>	
a. Name(s) of the related party and nature of relationship:	Aprica Healthcare Limited (Previously known as UTH Healthcare Limited) Note2
b. Nature of contracts/arrangements/transactions:	Agreement of the drug manufacturing for subsidiary at the manufacturing facility of the company
c. Duration of the contracts/arrangements/transactions:	Continuing
d. Salient terms of the contracts or arrangements or transactions including the value, if any:	Manufacturing and supply of the drug(s) agreement by the Eris for the same by Aprica, in the ordinary course of business of the company
e. Date(s) of approval by the Board, if any:	29.01.2019 Original Agreement 22.11.2019 Amendment approved by Board's committee
f. Amount paid as advances, if any:	Nil

**Note :**

1 Appointment of Mr. Saurabh Shah was approved by the members of the Company through an ordinary resolution in the Annual General Meeting held on 29th September, 2017

2 Please refer point no. 26.1 of standalone financial statements.

**For Eris Lifesciences Limited**

**Amit Bakshi**

DIN: 01250925

Chairperson & Managing Director

Ahmedabad, 13th May 2021

## 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 Eris Lifesciences 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 and the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015. 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 Board of Directors of the Company adopted this policy at their meeting held on August 17, 2017.

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 chauffeur’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.



**C. Entitlement:**

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

Designation / Class	To be determined by
Managing Director/ Whole Time Director	The remuneration for the 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
Other Employee	Departmental Heads in consultation with Human Resources Head

\*Sitting fee payable to the directors shall be 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.

**For Eris Lifesciences Limited**

**Amit Bakshi**

DIN: 01250925

Chairperson & Managing Director

Ahmedabad, 13th May, 2021

## Annexure – 11

## 1. Details pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Name and Designation of Director & KMP	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY 2020-21	% increase/(decrease) in remuneration in the FY 2020-21 #
1.	Mr. Amit Bakshi* Chairperson & Managing Director	87.59	(46%)
2.	Mr. Inderjeet Singh Negi** Whole time Director	38.03	(11%)
3.	Mr. Kaushal Shah*** Whole time Director	20.75	(14%)
4.	Mr. Krishnakumar Vaidyanathan**** Executive Director	116.94	NA
5.	Mrs. Vijaya Sampath Independent Director	5.08	87.88%
6.	Mr. Prashant Gupta Independent Director	5.08	72.22%
7.	Ms. Kalpana Unadkat Independent Director	2.99	NA
8.	Mr. Rajeev Dalal Independent Director	3.45	NA
9.	Mr. Kirit Shelat Independent Director (resigned on 11-09-2020)	1.97	(46.67%)
10.	Sachin Shah CFO	36.39	4%
11.	Milind Talegaonkar Company Secretary	10.19	8%

\* Mr. Amit Bakshi opted to forgo the variable component of his remuneration and part of the salary amounting to Rs. 22.4 million.

\*\* Mr. Inderjeet Negi opted to forgo the part of the salary amounting to Rs.1.05 million.

\*\*\* Mr. Kaushal Shah opted to forgo the part of the salary amounting to Rs.0.58 million.

\*\*\*\* The company has paid one time joining bonus to Mr. Krishnakumar Vaidyanathan amounting to Rs. 20 million.

# Includes sitting fees paid to Non-Executive Directors.

2. The percentage increase in the median remuneration of employees in the financial year: 28.30%

3. The number of permanent employees on the rolls of company: 3246

4. 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 percentile increase in the managerial remuneration has been 19.76 % which is higher than the change in the remuneration of employees other than constituting managerial remuneration which register an increase of 5.01%. The change in the remuneration of field staff is made as per their sales performance as per a documented increment structure uniformly applied to the field staff. The managerial function is concerned with more critical issues which influence and determine the survival, continued growth, and the business direction for the company. The managerial talent is scarce and hence its retention is even more important. Managerial personnel form executive management and remain accountable to all the stakeholders of the company for business performance as well as corporate governance and therefore need to demonstrate balance of judgement and mature decision making in the backdrop of fast changing and increasingly complex industry landscape. These reasons justify the higher increase in the managerial remuneration.

5. Remuneration of Directors, KMP and other employees is in accordance with the Company's Remuneration Policy.

Details pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**1. Top 10 employees in terms of remuneration drawn during the year:**

Name of Employee	Designation	Remuneration received	Qualifications	experience	Date of commencement of employment	Age (Approx)	Last employment	Percentage of equity shares held by the employee
Amit Bakshi	Managing Director	2,67,00,159	Indian School Certificate examination	He has previously worked with companies in the pharmaceutical sector in various capacities and has more than 20 years experience in the pharmaceutical industry.	January, 2007	46	Intas Pharmaceuticals Limited	40.28
Krishnakumar Vaidyanathan	Executive Director & COO	3,56,46,732	MBA in finance and B.Tech	He has more than 20 years of professional experience across Lifesciences, Corporate Finance and Management Consulting.	December, 2020	47	Ernst & Young LLP	0
Alok Mahajan	Vice President	1,27,47,457	PGDM Marketing	He has previously worked in marketing field for more than 20 years.	June, 2018	45	Ruchi Soya	0
Deepak Kapoor	Sr Vice President	1,19,05,032	B.Sc, IIM AMEDABAD CRASH COURSE	He has more than 30 years experience in the Pharmaceutical industry in sales and marketing	February, 2020	57	Sun Pharma	0
Inderjeet Singh Negi	Wholetime Director	1,15,91,663	Bachelor's degree in science	He has more than 21 years of experience in the pharmaceutical industry.	January, 2007	50	Intas Pharmaceuticals Limited	4.37
Sachin Shah	CFO	1,10,97,966	Chartered accountant	He has more than 11 years experience in Investment Banking and pharmaceutical industry.	January, 2013	41	Aventus Capital Private Limited	Negligible
Vijay S. Joshi	President	1,03,92,404	BSC	He has previously worked with companies in the pharmaceutical sector in various capacities and has more than 31 years experience in the pharmaceutical industry.	May, 2010	68	USV Group	Negligible
Santanu Rudra	Vice President	85,71,513	M Pharm	He has more than 26 years of experience in field of Pharmaceuticals.	August, 2018	51	Wockhardt Ltd.	0
Himanshu Shah	Assistant General Manager	73,23,942	Bachelor's degree in science, Diploma in pharmacy, Diploma in management	He has previously worked with companies in the pharmaceutical sector in various capacities and has more than 14 years experience in the pharmaceutical industry.	January, 2007	44	Intas Pharmaceuticals Limited	1.81

Manish Kapoor	Vice President	70,31,363	MBA	He has more than 23 years experience in Healthcare industry comprising of varied segments i.e Cardiovascular, Diabetes, Vaccine, nutraceuticals comprising of assignments in Sales, Training & Marketing	August, 2018	44	Sanofi	0
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- Employees mentioned above are neither relatives of any directors or managers of the Company.
- All appointments are/were contractual in accordance with terms and conditions as per Company rules.

## 2. Other Employee(s) Drawing a remuneration of Rs. 1.02 Crore or above:

Name of Employee	Designation	Remuneration received	Nature of employment, whether contractual or otherwise	Qualifications and experience	Date of commencement of employment	Age	Last employment	Percentage of equity shares held by the employee	Relation with Director, if any
None									

## 3. Other Employee(s) Employed for part of the year with an average salary above Rs. 8.5 Lakh per month or above;

Name of Employee	Designation	Remuneration received	Nature of employment, whether contractual or otherwise	Qualifications and experience	Date of commencement of employment	Age	Last employment	Percentage of equity shares held by the employee	Relation with Director, if any
None									

## 4. Other Employee(s) employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

Name of Employee	Designation	Remuneration received	Nature of employment, whether contractual or otherwise	Qualifications and experience	Date of commencement of employment	Age	Last employment	Percentage of equity shares held by the employee	Relation with Director, if any
None									

### For Eris Lifesciences Limited

**Amit Bakshi**

DIN: 01250925

Chairperson & Managing Director

Ahmedabad, 13th May, 2021

## BUSINESS RESPONSIBILITY REPORT

(As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

DISCLOSURE	INFORMATION/ REFERENCE
Corporate Identity Number of the Company	L24232GJ2007PLC049867
Name of the company	ERIS LIFESCIENCES LIMITED
Registered Address	8th Floor, Commerce House- IV, Prahladnagar, 100 ft road Ahmedabad GJ 380015 IN
Website	<a href="https://eris.co.in/">https://eris.co.in/</a>
Email id	complianceofficer@erislifesciences.com
Financial Year Reporting	Financial Year 2020-21
Sector(s) that the Company is engaged in (Industrial activity code wise)	Pharmaceuticals NIC Code- 2100
List three Key Products/ services that the Company manufactures/ provides (as in balance sheet).	Three key therapeutic areas in which the company operates are Anti-diabetics, Cardiac, nutritional supplements
Total Number of locations where business activity is undertaken by the Company –International or national	Our sales depots are widely located across the country. Up till now we have consciously chosen to focus on doing business at national level.
Markets served by the Company (Local/ State/ national/ international)	National

### SECTION B : FINANCIAL DETAILS OF THE COMPANY

DISCLOSURE	INFORMATION/ REFERENCE
Paid-up Capital (Rs. in million)	Rs. 135.78/- As on 31st March, 2021
Total Turnover (Rs. in million)	Please refer to the financials section
Total profit after tax (Rs. in million)	Please refer to the financials section
Total spending on CSR (Rs. in million)	Refer CSR Report
List of activities in which CSR has been spent	1. Preventive medical screening at public places; 2. Education

### SECTION C : OTHER DETAILS

DISCLOSURE	INFORMATION/ REFERENCE
Subsidiaries of the Company	The Company has four subsidiaries as on 31st March, 2021: 1. Aprica Healthcare Limited (Previously known as UTH Healthcare Limited) 2. Kinedex Healthcare Private Limited 3. Eris Healthcare Private Limited 4. Eris Pharmaceuticals Private Limited
Participation of subsidiaries in the Business Responsibility Initiatives	The Company impresses upon its subsidiaries to follow policies and practices to the extent applicable to it.
Participation of other entities (with which the Company does business) in the Business Responsibility Initiatives	Importance of doing business in a responsible and legally compliant manner is emphasized while dealing with all business partners.

**SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION  
PART-1****(a) Details of Director/Directors responsible for BR:**

DIN	Name	Designation
01255388	Inderjeet Singh Negi	Wholetime Director
01250925	Amit Bakshi	Managing Director
01229038	Kaushal Shah\$	Wholetime Director
08976508	Krishnakumar Vaidyanathan#	Executive Director
00641110	Vijaya Sampath	Independent Director
08122641	Prashant Gupta	Independent Director
00222650	Rajeev Dalal&	Independent Director
02490816	Kalpana Unadkat^	Independent Director

& Appointed w.e.f. 19.12.2020

\$ Appointed w.e.f. 04.08.2020

#Appointed w.e.f. 20.12.2020

^ Appointed w.e.f. 05.01.2021

**(b) Details of BR Head:**

Name: Inderjeet Singh Negi

DIN: 01255388

Designation: Wholetime Director

Telephone number: 079 3045 1000

E-mail id: Complianceofficer@erislifesciences.com

**PART-2****Principle- wise (as per National Voluntary Guidelines) BR Policy (ies)****(b) Deails of compliance (Reply in Y/N)**

QUESTIONS	P1	P2	P3	P4	P5	P6	P7	P8	P9
Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been formulated in consultation with relevant stakeholders? Note1	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the policy conform to any national / international standards? If yes, specify? Note2	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Policies are formulated at functional level and recommended to Board or its applicable committee for information and/or approval as the case may be. Signed copies thereof are issued on an 'as needed' basis by the MD or other KMPs.								
Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Indicate the link for the policy to be viewed online? Note3	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been formally communicated to all relevant internal and external stakeholders? Note4	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the company have in-house structure to implement the policy(ies)	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note1. The Policies have been formulated in consultation with the applicable stakeholders.

Note2. The Policies are based on and are in compliance with the applicable regulatory requirements.

Note3. The Policies of the Company are available on the website of the Company <http://eris.co.in/policies/> and the internal policies are available on the intranet of the Company.

Note4. The Policies have been communicated to the internal / external stakeholders depending upon their applicability to them.

**Principle Wise Policy index:**

P1	P2	P3	P4	P5	P6	P7	P8	P9
Code of Conduct Policy for Directors, Senior Management Personnel, Eris Code of Conduct Policy, Whistle Blower Policy, Prevention of Sexual Harassment Policy, Anti Bribery Policy, Policy And Procedure For Inquiry In Case Of Leak Or Suspected Leak Of Unpublished Price Sensitive Information	Eris Code of Conduct Policy	Code of Conduct Policy for Directors, Senior Management Personnel, Whistle Blower Policy, Prevention of Sexual Harassment Policy, Eris Code of Conduct Policy, Internal Policies of HR (Loan Policy, Maternity Leave Policy, etc.)	CSR Policy	Whistle Blower Policy, Prevention of Sexual Harassment Policy, CSR Policy	CSR Policy	Anti Bribery Policy	CSR Policy	Eris Code of Conduct Policy

**(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

QUESTIONS	P1	P2	P3	P4	P5	P6	P7	P8	P9
The company has not understood the Principles									
The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles						Not Applicable			
The company does not have financial or manpower resources available for the task									
It is planned to be done within next 6 months								Not Applicable	
Any other reason (please specify)									
Indicate the link for the policy to be viewed online? Note3									

**PART-3 Governance related to BR**

- (a)** Frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year –  
The Board of Directors, its Committees, and KMP's assess the BR implications of every company action on a continuing basis.
- (b)** Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?  
Company's Annual Report includes Business Responsibility Report. The copy of the same is available on the website of the Company [www.eris.co.in](http://www.eris.co.in)

**SECTION E : PRINCIPLE WISE PERFORMANCE**

PRINCIPLE 1	
Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs /Others?	No, it extends to all subsidiaries.
How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	Nil



**PRINCIPLE 2**

List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities	All the products and processes of the company are designed with due sensitivity to social and environmental concerns and risks.
For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	The stated parameters in our case cannot be quantified with certainty.
Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably?	The company accords preference to local procurements. The rate of replenishment of resources are always borne in mind while sourcing all inputs.
Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Procurement of services from local providers belonging to the communities surrounding our places of work is always encouraged. Similarly the provider pool is kept wide and new / emerging providers are accorded preference. This preferential treatment in itself generates assurance about continuing business opportunities and encourages entrepreneurship at small/ medium level.
Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%).	This aspect is regulated by applicable Bio-medical waste management.

**PRINCIPLE 3**

Please indicate the Total number of employees	-3246
Please indicate the Total number of employees hired on temporary/contractual/casual basis	-70
Please indicate the Number of permanent women employees	-100
Please indicate the Number of permanent employees with disabilities	0
Do you have an employee association that is recognized by management	No
What percentage of your permanent employees is members of this recognized employee association?	0
Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	0
What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?	
(a) Permanent Employees	Safety Training 100%, Skill Upgradation Training 70%
(b) Permanent Women Employees	Safety Training 100%, Skill Upgradation Training 70%
(c) Casual/Temporary/Contractual Employees	50%
(d) Employees with Disabilities	0%

**PRINCIPLE 4**

Has the company mapped its internal and external stakeholders?	Yes
Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes
Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	The north-eastern states have by far remained desolate and unconnected from the developments in the rest of the country. The choice of setting up a manufacturing plant in Guwahati was guided, to a large extent, by the desire to bring about improvement in the socio-economic condition of the region.

**PRINCIPLE 5**

Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	The policies of company are applicable to the group.
How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Nil

<b>PRINCIPLE 6</b>	
Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.	The said policies extend to the whole group
Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?	Company endeavors to remain compliant with the letter and spirit of all environmental laws.
Does the company identify and assess potential environmental risks?	Yes
Does the company have any project related to Clean Development Mechanism?	Not applicable for the year under review.
Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc	The operations of the Company being not very energy intensive, the point is not applicable to the company for the year under review.
Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes
Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil
<b>PRINCIPLE 7</b>	
Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes, Gujarat Chamber of Commerce & Industry, Indian Drug Manufacturers' Association
Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Not yet.
<b>PRINCIPLE 8</b>	
Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	The choice of location of the company's manufacturing unit in the north eastern state was based to a large extent on this principle.
Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	A mix of both.
Have you done any impact assessment of your initiative?	Not required
What is your company's direct contribution to community development projects Amount in INR and the details of the projects undertaken.	Please refer CSR Report.
Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Please refer CSR Report.
<b>PRINCIPLE 9</b>	
What percentage of customer complaints/consumer cases are pending as on the end of financial year.	Nil
Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)	N.A. Claims / information in respect of pharmaceutical products are regulated by applicable laws. Such laws are duly complied with.
Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	Nil
Did your company carry out any consumer survey/ consumer satisfaction trends?	There are specialised agencies which perform this activity. Your company avails their services

# **STANDALONE** FINANCIAL STATEMENTS

# INDEPENDENT AUDITOR’S REPORT

## TO THE MEMBERS OF ERIS LIFESCIENCES LIMITED

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Eris Lifesciences Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, 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 specified under section 143(10) of the Act (SAs). 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 Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor’s Response
1.	<p><b>Carrying value of investments in subsidiaries</b></p> <p>Refer note 3 to the Standalone Financial Statements.</p> <p>Investments in subsidiaries of Rs. 2373.24 millions are accounted for at cost less impairment, if any, in the Standalone Balance Sheet as at March 31, 2021.</p> <p>Investments are tested for impairment if impairment indicators exist. If such indicators exist, the recoverable amounts of the investments in subsidiaries are estimated in order to determine the extent of the impairment loss, if any. Any such impairment loss is recognised in the Statement of Profit and Loss.</p> <p>Significant Management judgement is required in the area of impairment testing, particularly in assessing: (1) whether an event has occurred that may indicate that the investment values may not be recoverable; (2) whether the carrying value of investments can be supported by the recoverable amount, being the higher of fair value less costs to sell or the net present value of future cash flows which are estimated based on the continued use of the asset in the business; (3) the appropriateness of key assumptions to be applied in valuation including whether appropriate revenue growth rates, net profit margin and perpetual growth rates used to estimate future cash flows and discount rates applied to these forecasted future cash flows.</p> <p>Any change in the basis or assumptions could materially affect the recoverable amount used in the impairment test with a consequent impact on the standalone financial statements of the Company.</p>	<p><b>Principal audit procedures performed:</b></p> <p>Our audit procedures included a combination of testing the design, implementation and operating effectiveness in respect of management’s assessment of existence of indicators of impairment and where applicable determination of recoverable amounts to measure the impairment provision that needs to be accounted for.</p> <p>Our substantive testing procedures included evaluation of appropriateness of management’s judgement whether any indicators of impairment existed by reviewing financial and other available information / data of the subsidiaries as at March 31, 2021.</p> <p>For those investments where indicators of impairment existed, we have examined management’s judgement in the area of impairment testing by considering and evaluating cash flow projections, the reasonableness of key assumptions including revenue growth rates, net profit margin and perpetual growth rates used to estimate future cash flows and discount rates applied to these forecasted future cash flows and retrospective review of the projections.</p>

	In view of the foregoing, valuation and allocation of investments in subsidiaries has been identified as a Key Audit Matter.	
<b>2.</b>	<b>Carrying values of acquired intangibles assets</b>	<b>Principal audit procedures performed:</b>
	<p>Refer note 2(b) to the Standalone Financial Statements.</p> <p>As at March 31, 2021, the Company had Rs. 4863.94 millions of carrying value of acquired intangibles.</p> <p>Intangibles are amortised over its estimated useful life and tested for impairment if impairment indicators exist. If such indicators exist, the recoverable amounts of the intangibles are estimated in order to determine the extent of the impairment loss, if any. Any such impairment loss is recognised in the Statement of Profit and Loss.</p> <p>For determination and review of useful life and assessing indicators of impairment, the Management considers internal and external factors including technological, market, economic or legal environment in which the Company operates or in the market to which the asset is dedicated. Recoverability of the carrying values of acquired intangible assets is dependent on future cash flows of the underlying cash generating units (CGUs) and there is a risk that if these cash flows do not meet management's expectations the assets will be impaired. The cash flow forecasts and related value in use calculations include a number of significant management assumptions, judgements and estimates including revenue growth rates, profit margin and perpetual growth rates and discount rate that are dependent on expected future market and economic conditions.</p> <p>Any change in the basis or assumptions could materially affect the amortisation and recoverable amount used in the impairment test with a consequent impact on the standalone financial statements of the Company.</p> <p>In view of the foregoing, valuation and allocation of intangibles has been identified as a Key Audit Matter.</p>	<p>Our audit procedures included a combination of testing the design, implementation and operating effectiveness in respect of management's assessment of estimate of useful life and existence of indicators of impairment and where applicable determination of recoverable amounts to measure the impairment provision that needs to be accounted for.</p> <p>Our substantive testing procedures included evaluation of appropriateness of management's estimate in determination of useful life and judgement whether any indicators of impairment existed.</p>

#### 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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Corporate Governance, Report in Annual Report for the year ended March 31, 2021 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.

#### Management's Responsibility 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 Ind AS and other accounting principles generally accepted in India. 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 standalone financial statement 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 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 management either intends to liquidate the Company or to cease

operations, or has no realistic alternative but to do so.

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

### **Auditor's 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 (i) in 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 control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting 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 over financial reporting.
  - g) 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.

- h) 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.
  - 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("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 LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Manoj H. Dama**  
**(Partner)**

(Membership No. 107723)  
(UDIN: 21107723AAAHP4546)

Mumbai, May 13, 2021



## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

### **TO THE MEMBERS OF ERIS LIFESCIENCES LIMITED**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

#### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Eris Lifesciences Limited (“the Company”) as of March 31, 2021 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 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting 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 over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting 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 LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Manoj H. Dama**

**(Partner)**

(Membership No. 107723)

(UDIN: 21107723AAAAHP4546)

Mumbai, May 13, 2021

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

### TO THE MEMBERS OF ERIS LIFESCIENCES LIMITED

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

- (i)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - (b) The Company has a program of verification of property, plant and equipment to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) With respect to immovable properties of land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the title deeds provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
  
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
  
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - (a) The terms and conditions of the grant of such loan are, in our opinion, prima facie, not prejudicial to the Company’s interest.
  - (b) The loans are repayable on demand and payment of interest has been stipulated and interest payments have been regular as per stipulations.
  - (c) There is no overdue amount remaining outstanding as at the balance sheet date.

According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, to firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013
  
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
  
- (v) According to the information and explanations give to us, the Company has not accepted any deposits from the public to which the directives issued by the 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 Deposit) Rules, 2014, as amended, would apply. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
  
- (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 cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
  
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Goods and Services Tax, Custom Duty, cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Goods and Services Tax, Custom Duty, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
  - (c) Details of Income Tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (Rs. in millions)	Amount Unpaid (Rs. in millions)
Income Tax Act, 1961	Income Tax Demand	Commissioner of Income Tax (Appeal), Ahmedabad	2016-2017	0.08	0.08

No dues of Goods and Service Tax and Customs Duty which have not been deposited as on March 31, 2021 on account of disputes.

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks, and government or has not issued any debentures. Hence, reporting under clause 3(viii) of the Order is not applicable.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary companies or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) In our opinion and according to information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Manoj H. Dama**  
**(Partner)**

(Membership No. 107723)  
(UDIN: 21107723AAAAHP4546)

Mumbai, May 13, 2021

## STANDALONE BALANCE SHEET

as at March 31, 2021

(₹. In Million)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>I. ASSETS :</b>			
<b>(1) Non current assets</b>			
(a) Property, Plant and Equipment	2(a)	728.36	789.01
(b) Right-of-use asset	2(a)	23.46	51.24
(c) Goodwill	2(b)	166.60	166.60
(d) Other Intangible assets	2(b)	4,924.81	4,999.55
(e) Intangible assets under development	2(b)	15.55	43.73
(f) Financial assets			
Investments	3	4,809.69	2,460.28
Loans	10	49.49	29.73
Other financial asset	5	450.10	52.64
(g) Income tax assets (net)	4(d)	34.63	34.47
(h) Deferred tax assets (net)	4(f)	1,967.47	1,641.65
(i) Other non-current assets	6	141.55	66.41
<b>Total Non current assets</b>		<b>13,311.71</b>	<b>10,335.31</b>
<b>(2) Current assets</b>			
(a) Inventories	7	648.46	654.60
(b) Financial assets			
Investments	3	503.97	742.74
Trade receivables	8	1,137.57	1,408.22
Cash and cash equivalents	9(a)	313.48	649.31
Other bank balances	9(b)	13.10	0.19
Loans	10	351.60	32.84
Other financial asset	5	464.85	85.36
(c) Other current assets	6	803.30	922.71
<b>Total Current assets</b>		<b>4,236.33</b>	<b>4,495.97</b>
<b>TOTAL- ASSETS</b>		<b>17,548.04</b>	<b>14,831.28</b>
<b>II. EQUITY AND LIABILITIES :</b>			
<b>(1) Equity</b>			
(a) Share capital	11	135.78	135.78
(b) Other Equity	12	15,618.89	12,861.23
<b>Total Equity</b>		<b>15,754.67</b>	<b>12,997.01</b>

(₹. In Million)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>(2) Non Current Liabilities</b>			
(a) Financial Liabilities			
Lease Liabilities	13	33.03	48.54
Other financial liabilities	13	-	18.93
(b) Long-term provisions	14	290.86	241.32
(c) Other non-current liabilities	15	24.92	31.07
<b>Total Non Current Liabilities</b>		<b>348.81</b>	<b>339.86</b>
<b>(3) Current liabilities</b>			
(a) Financial Liabilities			
Trade payables	16		
A) Due to Micro and Small Enterprises		44.46	32.39
B) Due to other than Micro and Small Enterprises		822.61	866.88
Lease Liabilities	13	20.39	56.94
Other financial liabilities	13	74.90	14.90
(b) Short-term provisions	14	268.69	297.58
(c) Other current liabilities	15	138.44	172.30
(d) Income tax liabilities (net)	4(e)	75.07	53.42
<b>Total Current Liabilities</b>		<b>1,444.56</b>	<b>1,494.41</b>
<b>Total Liabilities</b>		<b>1,793.37</b>	<b>1,834.27</b>
<b>TOTAL- EQUITY AND LIABILITIES</b>		<b>17,548.04</b>	<b>14,831.28</b>

See accompanying notes forming part of the standalone financial statements

In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

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

**Manoj H. Dama**  
Partner

**Amit I. Bakshi**  
Managing Director  
DIN: 01250925

**Inderjeet Singh Negi**  
Whole Time Director  
DIN: 01255388

Place: Mumbai  
Date: May 13, 2021

**Sachin Shah**  
Chief Financial Officer  
Place: Ahmedabad  
Date: May 13, 2021

**Milind Talegaonkar**  
Company Secretary  
Membership No-A26493

## STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

(₹. In Million)

Particulars	Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>REVENUE:</b>			
Revenue from operations	17		
Sale of products		10,886.45	10,037.60
Other operating income		201.89	164.71
<b>Total Revenue from Operations</b>		<b>11,088.34</b>	<b>10,202.31</b>
Other income	18	99.98	147.28
<b>Total Revenue (I)</b>		<b>11,188.32</b>	<b>10,349.59</b>
<b>EXPENSES:</b>			
(a) Cost of materials consumed	19	994.26	768.81
(b) Purchases of stock-in-trade		1,116.54	700.02
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(125.69)	174.72
(d) Employee benefits expense	21	2,070.16	1,917.32
(e) Other expenses	22	2,859.93	3,085.44
<b>Total (II)</b>		<b>6,915.20</b>	<b>6,646.31</b>
<b>Profit before interest, tax, depreciation and amortisation (I - II)</b>		<b>4,273.12</b>	<b>3,703.28</b>
Finance costs	23	7.78	18.54
Depreciation and amortisation expense	2	376.40	448.82
<b>Profit before tax</b>		<b>3,888.94</b>	<b>3,235.92</b>
Tax expenses :	4		
(a) Current tax		701.84	574.92
(b) Deferred tax		(318.95)	(251.74)
<b>Total tax expense</b>		<b>382.89</b>	<b>323.18</b>
<b>Profit for the year</b>		<b>3,506.05</b>	<b>2,912.74</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		(19.67)	(18.00)
Income tax relating to items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		6.87	6.29
		(12.80)	(11.71)



(₹. In Million)

Particulars	Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>Total Comprehensive Income for the year</b>		<b>3,493.25</b>	<b>2,901.03</b>
<b>Earnings per equity share of face value ₹1 each</b>			
Basic (₹)	24	25.82	21.23
Diluted (₹)		25.80	21.21

See accompanying notes forming part of the standalone financial statements

In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

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

**Manoj H. Dama**  
Partner

**Amit I. Bakshi**  
Managing Director  
DIN: 01250925

**Inderjeet Singh Negi**  
Whole Time Director  
DIN: 01255388

Place: Mumbai  
Date: May 13, 2021

**Sachin Shah**  
Chief Financial Officer  
Place: Ahmedabad  
Date: May 13, 2021

**Milind Talegaonkar**  
Company Secretary  
Membership No-A26493

## STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2021

(₹. In Million)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>3,888.94</b>	<b>3,235.92</b>
Adjustments for:		
Depreciation and amortisation expense	376.40	448.82
Net Loss on property plant and equipment sold/written off	0.06	5.03
Finance costs	7.78	18.54
Dividend income	-	(0.03)
Interest income	(38.81)	(14.28)
Provision for doubtful debt/other financial assets	65.10	18.78
Deferred Capital Subsidy	(9.91)	(15.03)
Net gain on sale of investments	(28.55)	(91.67)
Net (gain) / loss on investments carried at fair value through profit or loss	(21.22)	7.58
Gain From Termination Of Lease Ind As 116	(0.98)	(0.75)
Share based payment expense	11.20	16.61
<b>Operating profit before working capital changes</b>	<b>4,250.01</b>	<b>3,629.52</b>
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Trade receivables	265.65	(668.02)
Inventories	6.14	92.43
Other asset	131.53	(194.33)
Adjustments for increase/(decrease) in operating liabilities:		
Trade Payables	(32.15)	150.07
Financial Liabilities	42.38	(3.00)
Provisions	0.98	163.95
Other Liabilities	(30.10)	(14.75)
<b>Cash generated from operations</b>	<b>4,634.44</b>	<b>3,155.87</b>
Net income tax paid	(680.35)	(503.37)
<b>Net cash flow from operating activities (A)</b>	<b>3,954.09</b>	<b>2,652.50</b>

## STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2021

(₹. In Million)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment (including other intangible assets)	(256.16)	(1,487.21)
Proceeds from sale of property plant and equipment	0.38	41.41
Consideration paid towards investment in subsidiary	-	(213.73)
Investments in mutual funds and fixed deposit	(3,720.50)	(378.38)
Proceeds from redemption of mutual funds and Shares	769.15	3,172.85
Proceeds from redemption of investments in Bonds of subsidiaries	55.00	120.00
Loan given to Subsidiaries	(319.64)	(10.00)
Loan repaid by Subsidiaries	10.00	-
Loan to Others repayment received	1.11	16.12
Loan to Others given	(30.00)	(5.00)
Bank balances not considered as cash and cash equivalents-Placed	(12.91)	(0.12)
Dividend income	-	0.03
Interest income	24.93	11.42
<b>Net cash flow from investing activities (B)</b>	<b>(3,478.64)</b>	<b>1,267.39</b>
<b>C. Cash flow from financing activities</b>		
Repayment of borrowings	-	(1,750.00)
Finance costs	(7.57)	(15.17)
Lease payment	(56.92)	(83.49)
Buy back of shares	-	(1,000.00)
Buy back expense	-	(16.77)
Dividend and dividend distribution tax paid	(746.79)	(469.79)
<b>Net cash used in financing activities (C)</b>	<b>(811.28)</b>	<b>(3,335.22)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(335.83)</b>	<b>584.67</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>649.31</b>	<b>64.64</b>
<b>Cash and cash equivalents at end of the year {Refer note-9(a)}</b>	<b>313.48</b>	<b>649.31</b>

## STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2021

**Notes:**

- ( i ) The Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 on Statement of Cash Flows notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).
- ( ii ) Cash and Cash Equivalents {Refer note-9(a)}

		(₹. In Million)
Cash on hand	0.43	0.27
Balance with banks		
In Current Account	262.31	637.10
Cheque in hand	50.74	11.94
<b>Cash and Cash Equivalents as per Cash flow statement</b>	<b>313.48</b>	<b>649.31</b>

See accompanying notes forming part of the standalone financial statements

In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
 Chartered Accountants

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

**Manoj H. Dama**  
 Partner

**Amit I. Bakshi**  
 Managing Director  
 DIN: 01250925

**Inderjeet Singh Negi**  
 Whole Time Director  
 DIN: 01255388

Place: Mumbai  
 Date: May 13, 2021

**Sachin Shah**  
 Chief Financial Officer  
 Place: Ahmedabad  
 Date: May 13, 2021

**Milind Talegaonkar**  
 Company Secretary  
 Membership No-A26493

## STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

(₹. In Million)

A. Equity Share Capital	
Particulars (refer note-11)	Amount
As at April 1, 2019	137.52
Change in Equity Share Capital (Pursuant to buy back of shares) (Refer note 11.6)	(1.74)
As at March 31, 2020	135.78
Change in Equity Share Capital	-
As at March 31, 2021	135.78

(₹. In Million)

B. Other Equity						
Particulars (refer note-12)	Retained Earnings	General Reserve	Security Premium	Share based payment reserve	Capital redemption reserve	Total Other Equity
As at April 1, 2019	11,390.11	7.00	13.49	11.95	-	11,422.55
Add: Profit for the year	2,912.74	-	-	-	-	2,912.74
Less: Buy Back expense	(10.91)	-	-	-	-	(10.91)
Less: Buy Back of equity shares (Refer note 11.6)	(979.51)	(7.00)	(13.49)	-	-	(1,000.00)
Add: Transfer to capital redemption reserve on buy back of equity shares	-	-	-	-	1.74	1.74
Add: Other comprehensive Income for the year	(11.71)	-	-	-	-	(11.71)
Add: Share based payments to employees of the company	-	-	-	16.61	-	16.61
Less: Payment of Dividend	(389.69)	-	-	-	-	(389.69)
Less: Payment of Dividend distribution tax	(80.10)	-	-	-	-	(80.10)
As at March 31, 2020	12,830.93	-	-	28.56	1.74	12,861.23
Add: Profit for the year	3,506.05	-	-	-	-	3,506.05
Add: Other comprehensive Income for the year	(12.80)	-	-	-	-	(12.80)
Less: Payment of Dividend	(746.79)	-	-	-	-	(746.79)
Add: Share based payments to employees of the company	-	-	-	11.20	-	11.20
As at March 31, 2021	15,577.39	-	-	39.76	1.74	15,618.89

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

For and on behalf of the Board of Directors

**Manoj H. Dama**  
Partner

**Amit I. Bakshi**  
Managing Director  
DIN: 01250925

**Inderjeet Singh Negi**  
Whole Time Director  
DIN: 01255388

Place: Mumbai  
Date: May 13, 2021

**Sachin Shah**  
Chief Financial Officer  
Place: Ahmedabad  
Date: May 13, 2021

**Milind Talegaonkar**  
Company Secretary  
Membership No-A26493

**Corporate Information:**

Eris Lifesciences Limited (“the Company”) is a public limited company, incorporated and domiciled in India having its registered office at 8th Floor, Commerce House- IV, Prahladnagar, Ahmedabad - 380015, Gujarat, India. The Company is engaged in the manufacture and marketing of pharmaceutical products. The company has a manufacturing plant located in Guwahati, Assam. The Company’s shares are listed on the National Stock Exchange of India Limited and BSE Limited.

**Note 1: Significant accounting policies**

**1.1 Basis of preparation :**

**(A) Compliance with Ind AS**

The 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.

**(B) Historical Cost Convention**

“The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Investments in mutual funds and equity investments
- Defined benefit plan – plan assets measured at fair value
- Certain financial assets and liabilities measured at fair value
- Lease liability is booked based on IND AS 116

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**(C) Current and Non-current classification**

The assets and liabilities reported in the balance sheet are classified on a “current/non-current basis”, with separate reporting of assets held for sale and corresponding liabilities. Current assets, which include cash and cash equivalents are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Company. A liability is current when it is expected to be settled in normal operating cycle, held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting date and there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Deferred tax assets and

liabilities are classified as non-current assets and liabilities. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

**1.2 Critical Accounting Judgements and Key Sources of Estimation Uncertainty:**

The preparation of the financial statements in conformity with the recognition and measurement principles of Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amount of assets and liabilities is in respect of:

- Sales returns (refer note 1.3)
- Useful lives of property, plant and equipment (refer note 1.4)
- Useful lives of intangible assets (refer note 1.5)
- Impairment of asset (refer note 1.8)
- Valuation of inventories (refer note 1.9)
- Employee benefits (refer note 1.13)
- Valuation of deferred tax assets (refer note 1.14)
- Provisions & contingent liabilities (refer note 1.15)
- Impact of COVID on Business and Financial statements (refer note 25)

**1.3 Revenue recognition:**

a. Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods and services tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts.

b. Provision for sales returns are estimated on the basis of historical experience, market conditions and specific contractual terms 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 contractual and legal obligations, trade practices, historical trends, past experience and projected market conditions.

- c. Other income:
- i) Dividend income is recognized when the right to receive dividend is established.
  - ii) Interest income is recognized using the time-proportion method, based on rates implicit in the transaction.
  - iii) Other income is recognised when no significant uncertainty as to its determination or realisation exists.

**1.4 Property, Plant and Equipment:**

Property, Plant and Equipment are stated at cost of acquisition/ construction net of recoverable taxes less accumulated depreciation/ amortization and impairment loss, if any. All costs attributable to acquisition/construction of Property, Plant and Equipment till assets are put to use, are capitalized. Subsequent expenditure on Property, Plant and Equipment after its purchase/completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

An item of property, plant and equipment is derecognized 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 recognized in statement of profit and loss.

Depreciation on Property, Plant and Equipment (other than 'Freehold Land' where no depreciation is provided), is provided on the "Written Down Value Method" (WDV) based on the useful lives as prescribed under Schedule II of the Companies Act, 2013 except in respect of some equipments and some furniture and fixtures, in whose case the life of the assets has been assessed as 3 years based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Depreciation on additions/disposals of the fixed assets during the year is provided on pro-rata basis according to the period during which assets were put to use.

**1.5 Intangible Assets:**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

Intangibles are amortised over its estimated useful life and tested for impairment if impairment indicators exist. If such indicators exist, the recoverable amounts of the intangibles are estimated in order to determine the extent of the impairment loss, if any. Any such impairment loss is recognised in the Statement of Profit and Loss.

For determination and review of assessing indicators of impairment, the Management considers internal and external factors including technological, market, economic or legal environment in which the Company operates or in the market to which the asset is dedicated. Recoverability of the carrying values of acquired intangible assets is dependent on future cash flows of the underlying cash generating units (CGUs) and there is a risk that if these cash flows do not meet management's expectations the assets will be impaired. The cash flow forecasts and related value in use calculations include a number of significant management assumptions, judgements and estimates including revenue growth rates, profit margin and perpetual growth rates and discount rate that are dependent on expected future market and economic conditions.

**The estimated useful lives of intangibles are as mentioned below:**

Type of intangible assets	Useful life
Trademark/Brands	Upto 50 years
Non-compete fees	Upto 5 years
Software	Upto 6 years

**1.6 Business combinations and Goodwill**

**1.6.1 Business combinations**

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

**1.6.2 Goodwill**

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

**1.7 Financial Instruments**

**Financial assets**

**Initial recognition and 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 directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

**Subsequent measurement**

- i. Debt instruments at amortised cost – A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
  - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - Contractual terms of the asset gives rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.



- ii. Equity investments – The company measures equity investments other than investments in subsidiaries at FVTPL in accordance with the requirements of IND AS 109. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.
- iii. Mutual funds – All mutual funds within the scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).
- iv. Investment in Subsidiaries - Investment in subsidiaries are carried at cost in the financial statements as per IND AS 27.

**De-recognition of financial assets**

A financial asset is primarily de-recognised 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.

**Financial liabilities**

**Initial recognition and measurement**

All financial liabilities are recognised initially at fair value, in the case of financial liabilities not recorded at fair value through profit & loss (FVTPL), the transaction costs that are attributable to the acquisition of the financial liabilities are also adjusted. These liabilities are classified as amortised cost.

**Subsequent measurement**

These liabilities includes borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

**De-recognition of financial liabilities**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**1.8 Impairment of assets:**

**Financial Asset**

A financial asset is assessed at each reporting date to determine whether there is any objective evidence indicating impairment. A financial asset is considered to be impaired, if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of that asset.

**Non-Financial Asset**

The carrying amount of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment.

If any such indication exists, then the assets' recoverable amount is estimated. An impairment loss is recognised as an expense in the statement of profit and loss, for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets' fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets.

An impairment loss is reversed if there is any change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment has been recognised.

**1.9 Inventories:**

- a. Inventories are valued at the lower of cost and net realizable value. Cost of raw materials, packing materials and stores, spares and consumables includes all charges incurred in bringing the goods to the warehouse, including any levies, transit insurance and receiving charges.
- b. Costs of Finished Goods and Work-in-Progress are determined on specific identification basis by taking material cost [net of GST], labour and relevant appropriate overheads.
- c. Stock-in-trade is valued at the lower of cost and net realizable value.

**1.10 Cash and cash equivalents:**

Cash and cash equivalents comprises cash on hand and at banks, short-term deposits (with an original maturity of three months or less from the date of acquisition), and which are subject to insignificant risk of changes in value.

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, as they are considered an integral part of the company's cash management.

**1.11 Borrowings:**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

**1.12 Earnings Per Share:**

Basic earnings per share is computed by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earning per share is calculated by dividing the profit or loss attributable to the owners of the company by weighted average number of equity shares considered for deriving basic earning per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares are adjusted for share splits and bonus shares, as appropriate.

**1.13 Employee Benefits:****(A) Defined contribution plan:**

The Company's contribution to provident fund and employee state insurance scheme are defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

**(B) Defined benefit obligations plan:**

- (i) The gratuity scheme is administered through the Life Insurance Corporation of India [LIC]. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation done by an independent actuary at the year end, which is calculated using projected unit credit method. Actuarial gains and losses which comprise experience adjustment and the effect of changes in actuarial assumptions are recognised in Other comprehensive income in the period in which they occur.
- (ii) The Company also provides benefit of compensated absences to its employees which are in the nature of long-term benefit plan. Provision for compensated absences is made on the basis of actuarial valuation carried out at the Balance Sheet date. The Company recognises actuarial gains and losses that arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation, in the statement of Profit and Loss, as income or expense.

**(C) Short-term employee benefits**

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. which are recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

**1.14 Taxes on Income:**

Income tax expense comprises current and deferred tax expense. Income tax expenses are recognized in statement of profit and loss, except when they relate to items recognized in other comprehensive income or directly in equity, in which case, income tax expenses are also recognized in other comprehensive income or directly in equity respectively.

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. 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 taxes arising from deductible and taxable temporary differences between the tax base of assets and liabilities and their carrying amount in the financial statements are recognized 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 recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

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 utilized.

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

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

Provisions are recognized only when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

**Contingent liability**

It is disclosed for:

- a. Possible obligations which will be confirmed only by future events not wholly within the control of the company, or
- b. Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

**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 Company. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

**1.16 Leases:**

Effective from April 01, 2019, the Company has adopted Ind AS 116 "Leases" and applied it to all lease contracts existing on April 01, 2019 using modified retrospective method.

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 asset for a period of time in exchange for consideration.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases are recognised as an expense in the statement of profit and loss on a written down value basis over the lease term. Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred

and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the written down value method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method. (Refer Note 33)

**1.17 Foreign currency transactions and translation:**

Transactions in foreign currencies entered into by the Company are accounted for at the exchange rate prevailing at the date of transaction. Foreign currency monetary assets and liabilities remaining unsettled at the end of the year are translated at the exchange rate prevailing at the end of the year. All differences arising on settlement/restatement are adjusted in the statement of profit and loss.

**1.18 Government Grant:**

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the Statement of Profit or Loss on a systematic basis over the useful life of the asset.

**1.19 Perpetual bond:**

The company invests in unsecured subordinated perpetual securities. These securities are redeemable at the issuer's option and carry non-cumulative interest coupon at the rate of dividend paid on the issuer's ordinary shares. No interest will be payable if the issuer does not pay any dividend on its ordinary shares for the Financial Year. The issuer has classified these instruments as equity under Ind AS 32 Financial Instruments presentation. Accordingly, the Company has classified this investment as Equity Instrument and has accounted at cost as per Ind AS 27 Separate Financial Statements.

**1.20 Share-based payment transactions:**

**Employees Stock Options Plans (ESOP):** Equity settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, in accordance with IND AS 102 Share based payment, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "Share based payment reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

**1.21 Measurement of Profit before interest, tax, depreciation and amortisation**

The Company has opted to present profit before interest (finance cost), tax, depreciation and amortization as a separate line item on the face of the Statement of Profit and Loss for the year. The Company measures profit before interest (finance cost), tax, depreciation and amortization based on profit/(loss) from continuing operations.

## NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

### Note 2: Property, Plant and Equipment and Intangible Assets

#### (a) Property, Plant and Equipment:

(₹. In Million)

Particulars	Freehold Land	Building	Plant and Machinery	Vehicles	Equipment	Furniture and Fixtures	Electric Installation	Right of use asset (Refer note 33)	Total
<b>Gross carrying amount:</b>									
As at March 31, 2019	31.03	190.14	201.00	122.80	446.40	66.49	3.35	-	1,061.21
Additions during the Year	-	135.83	154.68	15.34	100.01	73.95	32.77	179.80	692.38
Deductions during the Year	8.05	-	-	0.36	213.44	-	-	2.87	224.72
As at March 31, 2020	22.98	325.97	355.68	137.78	332.97	140.44	36.12	176.93	1,528.87
Additions during the Year	-	-	0.62	50.74	80.81	29.78	-	5.84	167.79
Deductions during the Year	-	-	1.32	-	0.12	-	-	-	1.44
As at March 31, 2021	22.98	325.97	354.98	188.52	413.66	170.22	36.12	182.77	1,695.22
<b>Accumulated depreciation:</b>									
As at March 31, 2019	-	52.59	97.23	48.72	301.32	21.19	1.83	-	522.88
Depreciation for the Year	-	18.50	35.65	26.79	91.25	40.23	4.21	127.39	344.02
Deductions during the Year	-	-	-	0.25	176.33	-	-	1.70	178.28
As at March 31, 2020	-	71.09	132.88	75.26	216.24	61.42	6.04	125.69	688.62
Depreciation for the Year	-	23.56	46.86	24.32	84.27	35.37	7.78	33.62	255.78
Deductions during the Year	-	-	0.94	-	0.06	-	-	-	1.00
As at March 31, 2021	-	94.65	178.80	99.58	300.45	96.79	13.82	159.31	943.40
<b>Net carrying amount</b>									
As at March 31, 2020	22.98	254.88	222.80	62.52	116.73	79.02	30.08	51.24	840.25
As at March 31, 2021	22.98	231.32	176.18	88.94	113.21	73.43	22.30	23.46	751.82

## NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

### (b) Intangible Assets:

(₹. In Million)

Particulars	Goodwill	Other Intangible Assets			Total
		Trademark/ Brand	Non compete fees	Computer Software	
<b>Gross carrying amount:</b>					
As at March 31, 2019	166.60	4,220.90	50.00	19.34	4,290.24
Additions during the year	-	960.20	-	10.61	970.81
Deductions during the Year	-	-	-	-	-
As at March 31, 2020	166.60	5,181.10	50.00	29.95	5,261.05
Additions during the year	-	0.01	-	45.87	45.88
Deductions during the Year	-	-	-	-	-
As at March 31, 2021	166.60	5,181.11	50.00	75.82	5,306.93
<b>Accumulated Amortisation:</b>					
As at March 31, 2019	-	122.63	26.44	7.63	156.70
Amortisation for the Year	-	90.75	10.02	4.03	104.80
As at March 31, 2020	-	213.38	36.46	11.66	261.50
Amortisation for the Year	-	103.79	10.00	6.83	120.62
As at March 31, 2021	-	317.17	46.46	18.49	382.12
<b>Net carrying amount</b>					
As at March 31, 2020	166.60	4,967.72	13.54	18.29	4,999.55
As at March 31, 2021	166.60	4,863.94	3.54	57.33	4,924.81
<b>Intangible assets under development</b>					
As at March 31, 2020	-	-	-	43.73	43.73
As at March 31, 2021	-	-	-	15.55	15.55

#### Note:

1. The Company tests goodwill on an annual basis or based on an indicator. Based on the annual impairment test no provision towards impairment was required necessary. The recoverable amounts determined based on value-in-use calculations which is calculated as the net present value of forecasted cash flows of the cash generating unit (CGU) to which the goodwill is related.

The key assumptions for CGUs with significant amount of goodwill as follows:

- Projected cash flows for five years based on financial budgets/forecasts in line with the past experience. The perpetuity value is taken based on the long term growth rate depending on macro economic growth factors.
- Discount rate applied to projected cash flow is 12%.

Acquired brands are considered as CGU for testing impairment of goodwill amounting to ₹ 166.60 millions generated on acquisition of brands.

The Management believes that any reasonable possible change in the key assumptions on which a recoverable amount is based would not cause the carrying amount to exceed its recoverable amount of the CGU.

# NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

## Note 3: Investments

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units/Shares (Numbers)	(₹. In Million)	Units/Shares (Numbers)	(₹. In Million)
<b>Non current investments</b>				
<b>(I) At cost</b>				
<b>In equity instruments of subsidiaries (unquoted) (fully paid up) (Refer note 26)</b>				
Equity shares of ₹10 each held in Kinedex Healthcare Private Limited	1,82,504	56.92	1,82,504	56.92
Equity shares of ₹10 each held in Aprica Healthcare Limited (Formerly Known as UTH Healthcare Limited)	73,45,361	1,166.32	73,45,361	1,166.32
Equity shares of ₹10 each held in Eris Healthcare Private Limited (Formerly known as Strides Healthcare Private Limited)	43,33,331	900.00	43,33,331	900.00
<b>In Unsecured Perpetual Securities of subsidiaries (Refer note 26 &amp; 3.2 below)</b>				
Perpetual securities of ₹10 each held in Aprica Healthcare Limited (Formerly Known as UTH Healthcare Limited)	2,50,00,000	250.00	3,05,00,000	305.00
<b>Investment in Tax Free Bonds (unquoted)</b>				
Rural Electrification Corporation Bond of ₹10,000 each	500	5.00	-	-
<b>(II) At Fair Value through Profit or Loss</b>				
<b>Investment in Mutual Funds (unquoted) (Refer note 3.1 below)</b>				
Kotak Floating Rate Fund Direct Growth	3,47,183	401.71	-	-
ABSL Banking PSU Fund Growth Direct	1,72,981	50.12	-	-
HDFC Ultra Short Fund Direct Growth	3,35,59,812	400.68	-	-
HDFC Floating Rate Income Fund Direct Plan Growth	99,74,232	381.92	-	-
ABSL Low Duration Fund Growth Direct	6,44,241	355.67	-	-
ICICI Savings Fund (Low Duration Fund) Direct Plan Growth	8,47,618	355.74	-	-
IDFC Corporate Bond Fund Direct Plan Growth	2,96,98,080	453.42	-	-
<b>Investment in Tax Free Bonds (quoted)</b>				
Rural Electrification Corporation Bond of ₹1,000 each	1,000	1.21	1,000	1.11
Indian Railway Finance Corporation Bond of ₹1,000 each	1,000	1.19	1,000	1.19
Housing and Urban Development Corporation Bond of ₹1,000 each	1,000	1.17	1,000	1.12
<b>Investment in Equity Instruments</b>				
S3V Vascular Technologies Private Limited (Unquoted)	3,81,588	28.62	3,81,588	28.62
<b>Total (I)+(II)</b>		<b>4,809.69</b>		<b>2,460.28</b>

## NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units/Shares (Numbers)	(₹. In Million)	Units/Shares (Numbers)	(₹. In Million)
Aggregate carrying value of quoted investments		3.57		3.42
Aggregate market value of quoted investments		3.57		3.42
Aggregate carrying value of unquoted investments		4,806.12		2,456.86
<b>Current investments</b>				
<b>(I) At Fair Value through Profit or Loss</b>				
<b>Investment in Mutual Funds (unquoted) (Refer note 3.1 below)</b>				
Franklin India Credit Risk Fund Direct Growth	-	-	1,75,37,091	347.31
SBI Overnight Fund Direct Growth	-	-	1,00,963	328.51
SBI Premier Liquid Fund Direct Growth	72,092	232.25	-	-
HDFC Liquid Fund Direct Plan Growth Option	67,165	271.72	-	-
Kotak Mutual Fund Bond (Short Term) Direct Growth	-	-	16,68,356	66.92
<b>Total</b>		<b>503.97</b>		<b>742.74</b>

### 3.1 Details of pledged securities:

Include ₹350.00 million (31-03-2020 - ₹414.23 million) marked under lien against overdraft facilities availed by the company.

### 3.2 Details of perpetual securities:

In the financial year 2018-19, the company has invested in unsecured subordinated perpetual securities issued by Aprica Healthcare Limited (Formerly known as UTH Healthcare Limited) and Kinedex Healthcare Private Limited, its subsidiary companies. These securities are redeemable at the issuer's option and carry non-cumulative interest coupon at the rate of dividend paid on the issuer's ordinary shares. No interest will be payable if the issuer does not pay any dividend on its ordinary shares for the Financial Year. The issuer has classified these instruments as equity under Ind AS 32 Financial Instruments presentation. Accordingly, the Company has classified this investment as Equity Instrument and has accounted at cost as per Ind AS 27 Separate Financial Statements.

## NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

### Note 4: Income Taxes

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(a) Expense / (benefit) recognised in the statement of profit and loss:</b>		
Current tax:		
Expense for current year	701.84	574.92
Deferred tax:		
Deferred tax (benefit) for current year	(318.95)	(251.74)
	<b>382.89</b>	<b>323.18</b>
<b>(b) Expense / (benefit) recognised in statement of other comprehensive income</b>		
Re-measurement gains on defined benefit plans	(6.87)	(6.29)
	<b>(6.87)</b>	<b>(6.29)</b>
<b>(c) Reconciliation of tax expense :</b>		
Profit before income taxes	3,888.94	3,235.92
Enacted tax rate in India	34.944%	34.944%
Expected income tax expenses	1,358.95	1,130.76
<b>Adjustments to reconcile expected income tax expense to reported income tax expense:</b>		
Effect of expenses not deductible in determining taxable profit	77.55	58.61
Effect of income exempt from taxation	(0.93)	(1.10)
Tax incentives	(1,056.82)	(824.63)
Adjustment of current tax of prior year	2.59	0.15
Others (net)	(5.32)	(46.90)
Adjusted income tax expense	376.02	316.89
Effective Tax Rate	9.67%	9.79%

### (d) Income Tax Assets:

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	34.47	67.13
Less: Prior period adjustment	0.51	(0.20)
Add: Tax paid in advance, net of provisions/(Refund) during the year	0.67	(32.86)
<b>Closing Balance</b>	<b>34.63</b>	<b>34.47</b>



## NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

**(e) Income Tax Liabilities:**

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	53.42	14.53
Add: Prior period adjustment	2.08	0.35
Add: Current tax payable for the year	699.25	574.77
Less: Taxes paid	(679.68)	(536.23)
<b>Closing Balance</b>	<b>75.07</b>	<b>53.42</b>

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(f) Deferred tax relates to :</b>		
<b>Deferred tax assets</b>		
Property, plant and equipments (including ROU net of lease liability)	134.26	140.63
Minimum Alternate Tax credit entitlement	2,768.02	2,197.76
Employee benefits	53.10	66.55
Other	17.32	1.26
	<b>2,972.70</b>	<b>2,406.20</b>
<b>Deferred tax liabilities</b>		
Intangible assets	1,000.70	758.97
Fair Valuation of Investment	4.53	5.58
	<b>1,005.23</b>	<b>764.55</b>
<b>Total</b>	<b>1,967.47</b>	<b>1,641.65</b>

## NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(₹. In Million)

Particulars	Property, plant and equipments	Minimum Alternate Tax credit entitlement	Employee benefits	Intangible assets	Fair Valuation of Investment	Other	Total
<b>(g) Movement in Deferred tax Assets/(Liabilities) relates to :</b>							
<b>At April 1, 2019</b>	<b>94.08</b>	<b>1,817.98</b>	<b>42.17</b>	<b>(503.47)</b>	<b>(81.55)</b>	<b>8.55</b>	<b>1,377.76</b>
Charged/(Credited)							
- To Profit or Loss	(46.55)	(373.92)	(18.09)	255.50	(75.97)	7.29	(251.74)
- To Other equity	-	(5.86)	-	-	-	-	(5.86)
- To other comprehensive Income	-	-	(6.29)	-	-	-	(6.29)
<b>At March 31, 2020</b>	<b>140.63</b>	<b>2,197.76</b>	<b>66.55</b>	<b>(758.97)</b>	<b>(5.58)</b>	<b>1.26</b>	<b>1,641.65</b>
Charged/(Credited)							
- To Profit or Loss	6.37	(570.26)	20.32	241.73	(1.05)	(16.06)	(318.95)
- To other comprehensive Income	-	-	(6.87)	-	-	-	(6.87)
<b>At March 31, 2021</b>	<b>134.26</b>	<b>2,768.02</b>	<b>53.10</b>	<b>(1,000.70)</b>	<b>(4.53)</b>	<b>17.32</b>	<b>1,967.47</b>

### Note 5: Other Financial Assets

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-Current (Considered Good)</b>		
Security deposits	27.40	23.80
Receivable on sale of Investment in subsidiary	-	4.98
Fixed Deposits	422.70	-
Other receivables	-	23.86
	<b>450.10</b>	<b>52.64</b>
<b>Current (Considered Good, unless otherwise stated)</b>		
Insurance claim receivable	2.09	1.04
Fixed Deposits	420.29	-
Interest accrued	0.08	0.10
Security deposits	36.04	29.44
Receivable on sale of Investment in subsidiary		
- Considered Good	-	6.00
- Considered doubtful	12.00	-
Less: Allowance for doubtful of recovery	(12.00)	-

## NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

	(₹. In Million)	
Particulars	As at March 31, 2021	As at March 31, 2020
Claims and Other receivables		
- Considered Good	6.35	48.78
- Considered doubtful	48.10	-
Less: Allowance for doubtful of recovery	(48.10)	-
	<b>464.85</b>	<b>85.36</b>
<b>Total</b>	<b>914.95</b>	<b>138.00</b>

### Note 6: Other Assets

	(₹. In Million)	
Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Capital Advances	141.55	43.82
Other Advances	-	22.59
	<b>141.55</b>	<b>66.41</b>
<b>Current</b>		
Prepaid expenses	53.59	42.33
<b>Balances with government authorities</b>		
GST /Cenvat credit receivable	187.35	384.26
Others	2.14	1.83
Advances to supplier	556.88	489.07
Advances to employees	3.34	5.22
	<b>803.30</b>	<b>922.71</b>
<b>Total</b>	<b>944.85</b>	<b>989.12</b>

## NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

### Note 7: Inventories

(At lower of cost and net realisable value)

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw Material and Packing Material {including goods-in-transit ₹2.03 Million (31-03-2020 - ₹ 19.13 Million)}	168.64	300.47
Work-in-progress	26.42	32.77
Finished goods	252.16	195.85
Stock-in-trade {including goods-in-transit ₹9.59 Million (31-03-2020- ₹3.02 Million)}	198.37	122.64
Stores, spares & consumables	2.87	2.87
<b>Total</b>	<b>648.46</b>	<b>654.60</b>

### Note 8: Trade receivables

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured Considered good	-	-
Unsecured Considered good	1,137.57	1,408.22
Trade Receivables which have significant increase in Credit Risk	25.18	20.18
Trade Receivables-credit impaired	-	-
	<b>1,162.75</b>	<b>1,428.40</b>
Less: Allowance for doubtful debt (expected credit loss)	25.18	20.18
<b>Total</b>	<b>1,137.57</b>	<b>1,408.22</b>

### Movements in allowance for doubtful trade receivables

<b>Opening Balance</b>	<b>20.18</b>	<b>2.20</b>
Add : Provision during the year	5.00	18.75
Less : Utilisation during the year	-	(0.77)
<b>Closing Balance</b>	<b>25.18</b>	<b>20.18</b>

## NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

### Note 9: Cash and cash equivalents

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(a) Cash and cash equivalents</b>		
Cash on hand	0.43	0.27
Balances with banks in current accounts*	262.31	637.10
Cheque in hand	50.74	11.94
	<b>313.48</b>	<b>649.31</b>
<b>(b) Other bank balances</b>		
In fixed deposit accounts to extent held as security deposit with GST Department and Tender deposit	13.10	0.19
<b>Total</b>	<b>326.58</b>	<b>649.50</b>

\*Includes Unclaimed Dividend of ₹ 0.45 million (Previous year ₹ 0.96 million).

### Note 10: Loans

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-Current</b>		
Loans Receivables considered good - Unsecured	49.49	29.73
	<b>49.49</b>	<b>29.73</b>
<b>Current</b>		
Loans Receivables considered good - Secured	-	-
Loans Receivables considered good - Unsecured		
To subsidiaries (Refer note 30)	319.64	10.01
To others	31.96	22.83
Loans Receivables from others which have significant increase in Credit Risk	5.19	5.82
Loans Receivables - credit impaired	-	-
	<b>356.79</b>	<b>38.66</b>
Less: Allowance for doubtful loan to others	(5.19)	(5.82)
	<b>351.60</b>	<b>32.84</b>
<b>Total</b>	<b>401.09</b>	<b>62.57</b>

# NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

## Note 11: Share capital

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Authorised:</b>		
30,00,00,000 (Previous year 30,00,00,000) Equity Shares of ₹1 each	300.00	300.00
<b>Total</b>	<b>300.00</b>	<b>300.00</b>
<b>Issued, Subscribed and Fully Paid-up :</b>		
13,57,80,653 (Previous year 13,57,80,653) Equity Shares of ₹1 each fully paid up	135.78	135.78
<b>Total</b>	<b>135.78</b>	<b>135.78</b>

### 11.1 : Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year:

Particulars	No. of equity shares	(₹. In Million)
Shares outstanding at March 31, 2019	13,75,19,783	137.52
Buy Back during the year : (Refer note 11.6)	(17,39,130)	(1.74)
Shares outstanding at March 31, 2020	13,57,80,653	135.78
Issued during the year	-	-
Shares outstanding at March 31, 2021	13,57,80,653	135.78

### 11.2: Aggregate number and class of shares allotted as fully paid up bonus shares during the period of 5 years immediately preceding the balance sheet date:

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
<b>Equity shares</b>					
Bonus shares issued during the year	-	-	-	-	13,61,25,000

### 11.3: Details of shareholders holding more than 5 % equity shares in the company as at the end of the year

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of equity shares held	% of Shareholding	No. of equity shares held	% of Shareholding
1. Amit Indubhushan Bakshi	5,46,98,423	40.28	5,46,98,423	40.28
2. Rakeshbhai Bhikhabhai Shah	1,56,84,407	11.55	1,56,84,407	11.55
3. Bhikhalal Chimanlal Shah	88,92,430	6.55	88,92,430	6.55
4. Emerald Investments Limited	74,77,132	5.51	74,75,780	5.51

## NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

### 11.4: Terms / Rights attached to the equity shares:

The Company has only one class of equity shares having a par value of ₹1 per share. Each holder of equity share is eligible for one vote per share. The final dividend, if any, proposed by the Board of Directors of the Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### 11.5: Share options granted under the Company's employee share option plan:

The Company recognizes compensation expense relating to share-based payments in net profit using fair value in accordance with Ind AS 102, share based payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance multiple awards with a corresponding increase to share options outstanding account.

### 11.6: Buy back of shares:

During the previous year, as on January 22, 2020, the Company concluded buy-back of 17,39,130 Equity Shares at a price of ₹ 575 per equity share from eligible shareholders of the Company on a proportionate basis through Tender Offer route in accordance with the provisions of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 and the Companies Act, 2013 and rules made thereunder, as approved by the Board of Directors at their meeting held on July 03, 2019.

### 11.7: Dividend:

The Board of Directors of the Company has declared and paid an interim dividend of ₹ 5.50/- (at the rate of 550 Percent) per equity share of the face value of ₹ 1/- each for the financial year 2020-21 at its meeting held on August 4, 2020.

### Note 12: Other Equity

	(₹. In Million)	
Particulars	As at March 31, 2021	As at March 31, 2020
Retained Earnings	15,577.39	12,830.93
Share based payment reserve	39.76	28.56
Capital redemption reserve	1.74	1.74
<b>Total</b>	<b>15,618.89</b>	<b>12,861.23</b>

### Nature and purpose of reserves:

#### 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.

#### Share based payment reserve:

The fair value of equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Share based payment reserve.

#### Capital redemption reserve :

The Company is required to create capital redemption reserve in accordance with provisions of the Companies Act 2013 for buy back of shares.

#### Interim Dividend :

The Board of Directors of the Company has declared and paid an interim dividend of ₹5.50/- (at the rate of 550 Percent) per equity share of the face value of ₹ 1/- each for the financial year 2020-21 at its meeting held on August 4, 2020.

## NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

### Note 13: Other financial liabilities

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-Current</b>		
Trade deposits	-	18.93
Lease Liability	33.03	48.54
	<b>33.03</b>	<b>67.47</b>
<b>Current</b>		
Book overdraft *	70.23	8.41
Dividend Payable	0.45	0.96
Lease Liability	20.39	56.94
Payable towards purchase of fixed assets	4.22	5.53
	<b>95.29</b>	<b>71.84</b>
<b>Total</b>	<b>128.32</b>	<b>139.31</b>

\* Mutual funds are marked as lien against OD Limit (Refer note 3).

### Note 14: Provisions

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Long Term</b>		
Provision for employee benefits (Refer note-27)		
Compensated absences	62.87	52.94
Provision for sales returns (Refer note below)	227.99	188.38
	<b>290.86</b>	<b>241.32</b>
<b>Short Term</b>		
Provision for employee benefits (Refer note-27)		
Compensated absences	35.84	29.04
Gratuity	13.49	79.90
Provision for sales returns (Refer note below)	219.36	188.64
	<b>268.69</b>	<b>297.58</b>
<b>Total</b>	<b>559.55</b>	<b>538.90</b>

#### Provision for sales returns:

The Company, as a trade practice, accepts returns from market which are primarily in the nature of expired or near expiry products. Provision is made for such returns on the basis of historical experience, market conditions and specific contractual terms.



## NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Provision	377.02	248.23
Add : Provision during the year	240.40	198.41
Less : Utilisation during the year	170.07	69.62
Closing Provision	447.35	377.02
Long Term	227.99	188.38
Short Term	219.36	188.64
<b>Total</b>	<b>447.35</b>	<b>377.02</b>

### Note 15: Other liabilities

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Deferred Capital Subsidy Non current*	24.92	31.07
	<b>24.92</b>	<b>31.07</b>
<b>Current</b>		
Statutory liabilities	118.09	153.07
Advances from customers	12.78	7.90
Deferred Capital Subsidy Current*	7.57	11.33
	<b>138.44</b>	<b>172.30</b>
<b>Total</b>	<b>163.36</b>	<b>203.37</b>

\* Capital subsidy represents Central Capital Investment Subsidy received during the financial year 2018-19 under North East Industrial & Investment Promotion Policy (NEIIPP). It is recognised in profit or loss account over the periods and in the proportions in which depreciation expense on those assets is recognised.

### Note 16: Trade payables

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Due to micro and small enterprises (refer note-35)	44.46	32.39
Due to others	822.61	866.88
<b>Total</b>	<b>867.07</b>	<b>899.27</b>

## NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

### Note 17: Revenue from operations

(₹. In Million)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Sale of products (Refer note 36)	10,886.45	10,037.60
<b>Other operating income</b>		
Goods and Services Tax refund	189.76	153.96
Others	12.13	10.75
	<b>201.89</b>	<b>164.71</b>
<b>Total</b>	<b>11,088.34</b>	<b>10,202.31</b>
Revenue as per contracted price, net of returns	11,160.49	10,240.11
Less : Provision for sales return	240.40	198.41
Less : Scheme, discount and others	33.64	4.10
Revenue from contracts with customers	10,886.45	10,037.60

Contract assets are initially recognised for revenue from sale of goods. Contract liabilities are on account of the upfront revenue received from customer for which performance obligation has not yet been completed

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. Payment terms with customers vary depending upon the contractual terms of each contract.

### Note 18: Other income

(₹. In Million)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Interest income	38.81	14.28
Dividend income	-	0.03
Net gain on sale of investments	28.55	91.67
Net (loss) / gain on investments carried at fair value through profit or loss	21.22	(7.58)
Deferred Capital Subsidy (Refer note 18.1)	9.91	15.03
Miscellaneous income	1.49	33.85
<b>Total</b>	<b>99.98</b>	<b>147.28</b>

### Note 18.1: Deferred Capital Subsidy

Capital subsidy represents Central Capital Investment Subsidy received during the financial year 2018-19 under North East Industrial & Investment Promotion Policy (NEIIPP). It is recognised in profit or loss account over the periods and in the proportions in which depreciation expense on those assets is recognised.

## NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

### Note 19: Cost of material consumed

(₹. In Million)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>Raw materials and packing materials</b>		
Opening stock	300.47	217.48
Add: Purchases during the year	862.43	851.80
Less: Closing stock	(168.64)	(300.47)
<b>Total</b>	<b>994.26</b>	<b>768.81</b>

### Note 20: Changes in inventories of Finished goods, Work-in-progress and Stock-in-trade

(₹. In Million)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>Inventories at the beginning of the year</b>		
Stock-in-trade	122.64	326.75
Finished goods	195.85	179.52
Work-in-progress	32.77	19.71
	<b>351.26</b>	<b>525.98</b>
<b>Inventories at the end of the year</b>		
Stock-in-trade	198.37	122.64
Finished goods	252.16	195.85
Work-in-progress	26.42	32.77
	<b>476.95</b>	<b>351.26</b>
<b>Net (Increase) / decrease in Stock</b>	<b>(125.69)</b>	<b>174.72</b>

### Note 21: Employee benefits expenses

(₹. In Million)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Salaries, wages and bonus	1,824.74	1,727.05
Contribution to provident and other funds	126.29	108.71
Share based payments to employees	11.20	16.61
Staff welfare expenses	107.93	64.95
<b>Total</b>	<b>2,070.16</b>	<b>1,917.32</b>

## NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

### Note 22: Other Expenses

(₹. In Million)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Power and fuel	38.93	45.43
Consumption of stores and spares (Indigenous)	36.03	72.05
Labour and security	22.73	19.14
Testing charges	4.94	6.29
Rent	16.65	77.25
Formulation Development Expense	50.92	41.96
Freight and forwarding	166.46	148.00
Commission	157.62	153.48
Advertising, publicity and awareness	112.23	176.02
Repairs and maintenance	35.54	34.17
Selling and distribution	662.48	833.22
Representative Allowance	436.91	410.45
Travelling and conveyance	187.31	372.65
Communication	10.59	9.79
Legal and professional	353.46	278.74
Rates and taxes	51.84	58.41
Insurance	10.72	7.77
Payments to auditors (Refer note below)	4.59	3.83
Royalty Expense	4.06	6.85
Corporate social responsibility expenditure (Refer note 31)	81.91	54.83
Loss on property plant and equipment sold/written off	0.18	37.12
Donations	0.38	0.25
Bank charges	1.58	1.13
Provision for doubtful debt / other financial assets	65.10	18.78
Miscellaneous	346.77	217.83
<b>Total</b>	<b>2,859.93</b>	<b>3,085.44</b>

## NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(₹. In Million)

Payment to auditors (Excluding GST)	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Statutory Audit fee	3.00	2.50
Reimbursement of expenses	0.09	0.02
Certification fees and other services	1.50	1.31
<b>Grand Total</b>	<b>4.59</b>	<b>3.83</b>
Certification fees and other services charged, debited to other than profit or loss	-	0.75
<b>Grand Total</b>	<b>4.59</b>	<b>4.58</b>

### Note 23: Finance cost

(₹. In Million)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Interest expense	0.11	0.90
Interest on financial liabilities at amortised cost	1.15	4.58
Interest on Lease Liability	6.52	13.06
<b>Total</b>	<b>7.78</b>	<b>18.54</b>

### Note 24: Earnings per share

(₹. In Million)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Net profit after tax for the year (₹ in million)	3,506.05	2,912.74
Weighted average number of equity shares outstanding for basic earning per share	13,57,80,653	13,71,87,163
Add : Dilutive share-Employees stock options outstanding	1,02,609	1,15,728
Weighted average number of equity shares outstanding for diluted earning per share	13,58,83,262	13,73,02,891
Nominal value per equity share (in ₹)	1.00	1.00
Basic earnings per share (in ₹)	25.82	21.23
Diluted earnings per share (in ₹)	25.80	21.21

### Note 25: Impact of COVID on Business and Financial statements

The Company continues to observe the Covid-19 impact on its business. This covers the monitoring of its impact on its supply-chain and customers. Conclusions on significant accounting judgements and estimates have been drawn after exercising requisite due care. Such judgements and estimates include, inter-alia, recoverability of receivables, assessment of impairment of goodwill and intangibles, investments and inventory, based on the information available as of the date of preparing the Company's financial statements for the year ended March 31, 2021.

# NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

## Note 26: MERGERS AND ACQUISITION

### Note 26.1: Amalgamation and Demerger of subsidiary companies

During the Financial Year 2020-21, pursuant to the composite scheme of arrangement under section 230 to 232 of the Companies Act, 2013, Pain division of Kinedex Healthcare Private Limited is demerged and subsequently merged into Aprica Healthcare Limited (Formerly known as UTH Healthcare Limited) with effect from Appointed date April 1, 2019 and Eris Therapeutics Private Limited and Aprica Healthcare Limited are merged into Aprica Healthcare Limited (Formerly known as UTH Healthcare Limited) with effect from Appointed date January 1, 2020.

### Note 26.2: Acquisition of investment in subsidiary

During the Financial Year 2019-20, the Company has acquired remaining 17.81% shareholding on April 06, 2019 for a consideration of ₹ 213.73 million in Kinedex Healthcare Private Limited making it a wholly owned subsidiary.

## Note 27: EMPLOYEE BENEFIT 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 recognized ₹75.10 million (Previous Year ₹58.51 million) 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.

The Company made contributions towards Employees State Insurance Scheme operated by the ESIC Corporation. The Company recognized ₹5.15 million (Previous year ₹8.89 million) for ESIC 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:

Actuarial Valuation for Compensated Absences is done as at the year end and the provision is made as per Company rules with corresponding charge to the Statement of Profit and Loss amounting to ₹23.83 million (Previous Year ₹22.09 million) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

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 4.6 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.

The following table sets out the status of the gratuity plan as required under IND AS-19 and the amounts recognized in the Company's financial statements as at March 31, 2021:

Particulars	(₹. In Million)	
	As at March 31, 2021	As at March 31, 2020
<b>(a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation :</b>		
<b>Obligations at beginning of the year</b>	<b>127.49</b>	<b>95.76</b>
Current Service Cost	18.34	16.91
Transfer in/(out) obligation	1.61	3.16
Interest Cost	5.90	5.92
Actuarial (gain)/loss on obligation		
- Due to change in Financial Assumptions	0.90	4.68
- Due to change in Demographic Assumptions	-	3.14
- Due to experience adjustments	18.76	8.38
Benefits paid	(11.58)	(10.46)
<b>Obligations at the end of the year</b>	<b>161.42</b>	<b>127.49</b>

## NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(b) Reconciliation of opening and closing balances of the fair value of plan assets :</b>		
Fair value of plan assets at the beginning of the year	47.59	54.75
Interest Income	2.03	3.60
Return on plan assets excluding interest income	(0.01)	(1.80)
Employer Contributions	109.90	1.50
Benefits paid	(11.58)	(10.46)
<b>Fair Value of plan assets at the end of the year</b>	<b>147.93</b>	<b>47.59</b>

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(c) Reconciliation of Present Value of Obligation and the fair value of plan assets :</b>		
Present value of the defined benefit obligation at the end of the year	161.42	127.49
Less : Fair value of plan assets	(147.93)	(47.59)
Funded status (deficit)	13.49	79.90
<b>Net liability recognised in the financial statement</b>	<b>13.49</b>	<b>79.90</b>

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(d) Expense recognised in the statement of profit and loss for the year :</b>		
Service Cost	18.34	16.91
Interest Cost Net	3.87	2.32
<b>Expense charged to the statement of profit and loss</b>	<b>22.21</b>	<b>19.23</b>
<b>(e) Expense recognised in other comprehensive income for the year :</b>		
Return on plan assets excluding amounts included in net interest expense	0.01	1.80
Actuarial (gain)/loss		
- Due to change in Financial Assumptions	0.90	4.68
- Due to change in Demographic Assumptions	-	3.14
- Due to experience adjustments	18.76	8.38
<b>Expense charged to other comprehensive income</b>	<b>19.67</b>	<b>18.00</b>

# NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Assumptions:</b>		
Discount rate	5.20%	5.45%
Estimated rate of return on plan assets	5.20%	5.45%
Annual increase in salary costs	6.00%	6.00%
Mortality Rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)
Retirement age	60 years	58 years

## Sensitivity Analysis:

### Impact on defined benefit obligation

Increase of 0.5% in discount rate	159.64	126.03
Decrease of 0.5% in discount rate	163.27	129.00
Increase of 0.5% in salary escalation rate	163.14	128.89
Decrease of 0.5% in salary escalation rate	159.75	126.12

## Expected future Cash outflows towards the plan are as follows :

Year 1	61.72	40.03
Year 2	33.57	28.30
Year 3	25.70	20.51
Year 4	18.78	15.65
Year 5	13.50	11.04
Year 6 to 10	25.48	21.26

## Investment details of plan assets:

Particulars	As at March 31, 2021	As at March 31, 2020
Insurer managed funds with Life Insurance Corporation of India	94%	82%
Bank Balance with Eris lifesciences limited employees group gratuity trust	6%	18%

## Notes:

- The plan assets which are managed by Insurance Company viz Life Insurance Corporation of India, details of those funds invested by the insurer are not available with company.
- 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.
- The expected contribution to be made by company for gratuity during financial year ending March 31, 2022 is ₹13.49 million (previous year ₹79.90 million).



## NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

### Note 28: Fair Value Measurement

#### (i) Financial assets and liabilities

The carrying value and fair value of financial instruments by category is as follows :

(₹. In Million)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Fair Value	Carrying Value	Fair Value	Carrying Value
<b>Financial assets :</b>				
<b>Amortised cost :</b>				
Trade receivables	1,137.57	1,137.57	1,408.22	1,408.22
Cash and cash equivalents	313.48	313.48	649.31	649.31
Other bank balances	13.10	13.10	0.19	0.19
Investment in tax free bonds	5.00	5.00	-	-
Loans	401.09	401.09	62.57	62.57
Other Financial Asset	914.95	914.95	138.00	138.00
<b>Fair value through profit or loss :</b>				
Investment in mutual funds	2,903.23	2,903.23	742.74	742.74
Investment in tax free bonds	3.57	3.57	3.42	3.42
Investment in equity instruments (other than investment in subsidiaries)	28.62	28.62	28.62	28.62
<b>Total</b>	<b>5,720.61</b>	<b>5,720.61</b>	<b>3,033.07</b>	<b>3,033.07</b>
<b>Financial Liabilities :</b>				
<b>Amortised cost :</b>				
Trade payables	867.07	867.07	899.27	899.27
Other financial liabilities	74.90	74.90	33.83	33.83
Lease Liability	53.42	53.42	105.48	105.48
<b>Total</b>	<b>995.39</b>	<b>995.39</b>	<b>1,038.58</b>	<b>1,038.58</b>

#### (ii) Fair value hierarchy:

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

## NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(₹. In Million)

As at March 31, 2021	Level 1	Level 2	Level 3	Total
<b>Financial assets :</b>				
Mutual funds	2,903.23	-	-	2,903.23
Equity instruments	-	-	28.62	28.62
Tax free bonds	3.57	-	-	3.57
<b>Total</b>	<b>2,906.80</b>	<b>-</b>	<b>28.62</b>	<b>2,935.42</b>
<b>Financial Liabilities:</b>				
	-	-	-	-
<b>Net Assets/(Liabilities)</b>	<b>2,906.80</b>	<b>-</b>	<b>28.62</b>	<b>2,935.42</b>

(₹. In Million)

As at March 31, 2020	Level 1	Level 2	Level 3	Total
<b>Financial assets :</b>				
Mutual funds	742.74	-	-	742.74
Equity instruments	-	-	28.62	28.62
Tax free bonds	3.42	-	-	3.42
<b>Total</b>	<b>746.16</b>	<b>-</b>	<b>28.62</b>	<b>774.78</b>
<b>Financial Liabilities :</b>				
	-	-	-	-
<b>Net Assets/(Liabilities)</b>	<b>746.16</b>	<b>-</b>	<b>28.62</b>	<b>774.78</b>

### Determination of fair values:

The following are the basis of assumptions used to estimate 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.

### Equity investments:

Fair value of Equity investments traded in an active market are determined by reference to their quoted market prices. Other equity investments where quoted prices are not available, fair values are determined by reference to the current market value of net assets or relied upon on valuation report of a valuer.

### (iii) Financial risk management:

The Company's activities are exposed to variety of financial risks. These risks include market risk, credit risk 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 is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. The Company is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion. Market risk comprises of three type of risks namely interest rate risk, currency risk and other price risk such as equity price risk. The Company is not exposed to currency risk and other price risk whereas the exposure to interest risk is given below :

## NOTES ON STANDALONE FINANCIAL STATEMENTS

### for the year ended March 31, 2021

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rate.

The Company invests in mutual fund schemes of leading fund houses and tax free bonds. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. Investments in mutual funds and tax free bonds amounts to ₹ 2,906.80 million and ₹ 746.16 million as at March 31, 2021 and March 31, 2020 respectively.

#### (b) Credit Risk

The Company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises majorly from cash and cash equivalents, deposits with banks, Investments as well as credit exposures to customers including outstanding receivables.

##### Credit Risk Management

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations, and arises principally from the companies receivables from customers.

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this risk, the Company periodically assesses the financial reliability of customers, taking into account their financial position, past experience and other factors. The Company manages credit risk through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

##### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 5,720.61 million and ₹ 3,033.07 million as at March 31, 2021 and March 31, 2020 respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, other financial assets and investments excluding equity investments in subsidiaries, and these financial assets are of good credit quality including those that are past due.

#### (c) Liquidity Risk

Liquidity Risk is the risk that the company will not be able to meet its financial obligation as they fall due. Liquidity risk arises because of the possibility that the company could be required to pay its liabilities earlier than expected or encounters difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The company approach to managing liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due. The Company generates cash flows from operations to meet its financial obligations and manages liquidity risk by maintaining sufficient cash and bank balance and availability of funding through adequate amount of committed credit facilities.

Contractual maturities of significant financial liabilities are mentioned below. The amounts disclosed in the table are the contractual undiscounted cash flows :

(₹. In Million)			
As at March 31, 2021	Less than 1 year	1-3 years	More than 3 years
Trade payables	867.07	-	-
Other financial liabilities	74.90	-	-
Lease Liability	24.08	23.68	14.49
	<b>966.05</b>	<b>23.68</b>	<b>14.49</b>

(₹. In Million)			
As at March 31, 2020	Less than 1 year	1-3 years	More than 3 years
Trade payables	899.27	-	-
Other financial liabilities	14.90	-	18.93
Lease Liability	63.12	32.45	24.27
	<b>977.29</b>	<b>32.45</b>	<b>43.20</b>

# NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

## (iv) Capital management

The capital structure of the Company consists of equity, debt, cash and cash equivalents. The Company's objective for capital management is to maintain the capital structure which will support the Company's strategy to maximize shareholder's value, safeguarding the business continuity and help in supporting the growth of the Company.

## Note 29: Related Party Disclosures

A) List of Related Parties and description of their relationship are as follows:

Sr. No.	Nature of Relationship	Name of the entity
1	<b>Subsidiaries</b>	
		Eris Therapeutics Private Limited (Merged in UTH Healthcare Limited w.e.f January 1, 2020)
		Aprica Healthcare Limited (Merged in UTH Healthcare Limited w.e.f January 1, 2020)
		Kinedex Healthcare Private Limited (Demerged 'PAIN' division merged in UTH Healthcare Limited w.e.f. April 1, 2019)
		Aprica Healthcare Limited (Formerly known as UTH Healthcare Limited)
		Eris Healthcare Private Limited (Formerly known as Strides Healthcare Private Limited)
		Eris Pharmaceuticals Private Limited (Subsidiary of Eris Healthcare Private Limited w.e.f. June 2, 2020)
2	<b>Key Managerial Personnel</b>	
	Managing Director	Mr. Amit Bakshi
	Whole time director (Upto May 31, 2020)	Mr. Himanshu Shah
	Whole time director	Mr. Inderjeet Singh Negi
	Whole time director (From August 04, 2020)	Mr. Kaushal Shah
	Whole time director (From December 20, 2020)	Mr. Krishnakumar Vaidyanathan
	Independent Director (From December 19, 2020)	Mr. Rajeev Dalal
	Independent Director (From January 05, 2021)	Ms. Kalpana Vasantrai Unadkat
	Independent Director	Mrs. Vijaya Sampath
	Independent Director (Upto September 11, 2020)	Dr. Kirit Shelat
	Independent Director	Mr. Prashant Gupta
	Chief Financial Officer	Mr. Sachin Shah
	Company Secretary	Mr. Milind Talegaonkar
3	<b>Close family member of Key Management Personnel</b>	
	Brother of Mr. Himanshu Shah (Whole time director) (Upto May 31, 2020)	Mr. Saurabh Shah
4	<b>Other Related parties</b>	
	Post-employment benefit plan	Eris Lifesciences Private Limited Employees Group Gratuity Trust Fund
	Entity controlled by Key Managerial Personnel	Horizon Blue Ventures LLP

## NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

B) Total Transactions with related parties are as follows:

(₹. In Million)

Particulars	Subsidiaries		Key Management Personnel		Close family member of Key Management Personnel		Other Related parties		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>(A) Nature of transactions</b>										
Investment in / (Redemption of) Perpetual bond	-	(120.00)	-	-	-	-	-	-	-	(120.00)
Loans and Advances Given	316.50	10.00	-	-	-	-	-	-	316.50	10.00
Sales of Finished goods	208.76	80.56	-	-	-	-	-	-	208.76	80.56
Sales of Stock-in-trade	-	2.31	-	-	-	-	-	-	-	2.31
Purchases of Stock-in-trade	47.01	46.67	-	-	-	-	-	-	47.01	46.67
Royalty Income	9.73	6.09	-	-	-	-	-	-	9.73	6.09
Interest Income	15.95	0.02	-	-	-	-	-	-	15.95	0.02
Royalty Expense	4.06	6.84	-	-	-	-	-	-	4.06	6.84
Reimbursement of expense incurred	-	3.16	1.55	-	-	-	-	-	1.55	3.16
Remuneration	-	-	93.72	86.70	-	-	-	-	93.72	86.70
Sitting fees	-	-	3.00	2.85	-	-	-	-	3.00	2.85
Commission	-	-	2.69	-	-	-	-	-	2.69	-
Salary expense	-	-	-	-	0.65	4.24	-	-	0.65	4.24
Contribution to Post-employment benefit plan	-	-	-	-	-	-	41.88	38.88	41.88	38.88
<b>(B) Balances at the end of the year</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Perpetual bond	250.00	305.00	-	-	-	-	-	-	250.00	305.00
Trade Receivable	3.31	26.02	-	-	-	-	-	-	3.31	26.02
Advance from Customer	0.01	-	-	-	-	-	-	-	0.01	-
Trade payable	1.54	3.09	5.40	4.03	-	0.28	-	-	6.94	7.40
Loans and advances Given	319.64	10.01	-	-	-	-	-	-	319.64	10.01

## NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

C) Transactions with related parties are as follows:

(₹. In Million)

Sr. No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
1	<b>Transaction with Subsidiaries</b>		
	<b>Aprica Healthcare Private Limited (Refer note 26) #</b>		
	Investment in / (Redemption of) Perpetual bond	-	(70.00)
	Sales of Finished goods	-	65.20
	Royalty Income	-	4.35
	<b>Kinedex Healthcare Private Limited (Refer note 26) #</b>		
	Purchases of Stock-in-trade	-	11.60
	Royalty Expense	-	0.41
	Reimbursement of expense incurred	-	0.78
	<b>Aprica Healthcare Limited (Formerly known as UTH Healthcare Limited) (Refer note 26) #</b>		
	Purchases of Stock-in-trade	1.55	35.07
	Sales of Finished goods	63.95	15.36
	Investment in / (Redemption of) Perpetual bond	-	(50.00)
	Loans and Advances Given	-	10.00
	Royalty Income	5.47	1.28
	Reimbursement of expense incurred	-	2.38
	Royalty expense	2.42	4.18
	Interest Income	0.40	0.02
	<b>Eris Healthcare Private Limited (Formerly known as Strides Healthcare private Limited)</b>		
	Royalty expense	1.64	2.25
	Sales of Finished goods	144.81	-
	Sales of Stock-in-trade	-	2.31
	Loans and advances given	316.50	-
	Purchases of Stock-in-trade	45.46	-
	Interest income	15.55	-
	Royalty income	4.26	0.46

## NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(₹. In Million)

Sr. No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>2</b>	<b>Key Management Personnel compensation</b>		
	Remuneration *	93.72	86.70
	Sitting fees	3.00	2.85
	Reimbursement of expense	1.55	-
	Commission	2.69	-
<b>3</b>	<b>Close family member of Key Management Personnel compensation</b>		
	Salary expense	0.65	4.24
<b>4</b>	<b>Other Related parties</b>		
	Contribution to Post-employment benefit plan	41.88	38.88

# Pursuant to the scheme of amalgamation and demerger of subsidiary companies (refer note 26.1), figures of the previous year have been reclassified wherever necessary.

\* Key Managerial Personnel who are under the employment of the Company are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

### D) Balances with related parties at end of the year:

(₹. In Million)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
<b>1</b>	<b>Kinedex Healthcare Private Limited (Refer note 26)</b>		
	Trade payable	1.54	-
	Trade Receivable	1.61	-
<b>2</b>	<b>Aprica Healthcare Limited (Formerly known as UTH Healthcare Limited) (Refer note 26)</b>		
	Loans and advances Given	-	10.01
	Perpetual bond	250.00	305.00
	Trade Receivable	1.00	26.02
	Trade payable	-	0.20
	Advance from Customer	0.01	-
<b>3</b>	<b>Eris Healthcare Private Limited (Formerly known as Strides Healthcare private Limited)</b>		
	Loans and advances Given	319.64	-
	Trade receivable	0.70	-
	Trade Payable	-	2.89

## NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(₹. In Million)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
<b>4</b>	<b>Key Management Personnel compensation</b>		
	Trade Payable	5.40	4.03
<b>5</b>	<b>Close family member of Key Management Personnel compensation</b>		
	Trade Payable	-	0.28

### Note 30: Loans to group Companies

Disclosures pursuant to Regulation 34(3) read with Para A of Schedule V to the SEBI (Listing obligations and disclosure requirements) Regulations, 2015 and section 186(4) of the Companies Act, 2013.

(₹. In Million)

Name of the Subsidiary	Amount outstanding as at		Maximum balance during the year	
	March 31, 2021	March 31, 2020	2020-21	2019-20
Eris Healthcare Private Limited	319.64	-	319.64	-
Aprica Healthcare Limited (Formerly known as UTH Healthcare Limited)	-	10.01	11.89	10.01

#### Note:

- a) The loanees did not hold any shares in the Share capital of the Company.  
b) All loans given are for the purposes of the business.

### Note 31: Corporate Social Responsibility (CSR) expenditure

(₹. In Million)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
(a) Gross amount required to be spent by the company as per section 135 of the act	59.04	59.28
(b) Gross amount spent by the company during the year*	59.33	59.53

\* Expenditure in above table for the previous year include capital advance of ₹22.58 million which has been recognised as expenses in the profit or loss during the current year.

### Note 32: Contingent Liability and Capital Commitment

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Claims against the Company not acknowledged as debts:</b>		
Notices relating to DPCO Matters (refer note below)	164.62	155.72
Notices regarding Income-tax matters	0.80	0.80
Others	17.74	1.55

**Note:** The Company has received notices from NPPA (National Pharmaceutical Pricing Authority), under DPCO (Drug Price Control Order), 2013 during earlier years. Management does not expect any cash outflow from this matter.

Estimated amount of contracts remaining unexecuted on capital account (net of advances) not provided for ₹28.92 million (Previous year Nil).



## NOTES ON STANDALONE FINANCIAL STATEMENTS

### for the year ended March 31, 2021

#### Note 33: Lease rent IND AS 116

Effective from April 01, 2019, the Company has adopted Ind AS 116 “Leases” and applied it to all lease contracts existing on April 01, 2019 using modified retrospective method. The adoption of standard has resulted into creation of right of use lease asset by ₹ 179.80 million and lease liability by ₹ 190.89 million as at April 1, 2019. Also, the following effects have been given.

Changes [increase/(decrease)]	(₹. In Million)	
	For Year ended March 31, 2021	For Year ended March 31, 2020
Depreciation and Amortisation	33.62	127.39
Finance costs on lease liability	6.52	13.06
Lease rent cost	(63.44)	(96.54)
Profit after tax	15.16	(28.57)
Cash Flow From Operating Activities	63.44	96.54
Cash Flow From Financing Activities	(63.44)	(96.54)

#### Note 34: ESOP

The Company has introduced ‘Eris Lifesciences Employee Stock Option Plan 2017’ (“ESOP 2017”/ “Plan”) through the resolution passed by the Board of Directors on February 02, 2017 and the same was approved by the shareholders at the extra ordinary general meeting held on February 03, 2017 and subsequently in the eleventh annual general meeting held on September 29, 2017 shareholders ratified the same. Under the scheme, 391,599 (Three lakhs ninety one thousand five hundred ninety nine only) equity shares have been granted to eligible employees of the company and each option (after it is vested) is exercisable for one equity share having face value of ₹ 1 each for an exercise price of ₹ 451.04. Vesting of the options shall take place over a maximum period of 5 years with a minimum vesting period of 1 year from the date of grant i.e. April 12, 2017. The exercise period would be a maximum of 5 years from the date of vesting of options. 98,107 and 49,886 options have lapsed till March 31, 2021 and March 31, 2020 respectively.

As per the Scheme, the Nomination and Remuneration Committee grants the options to the employees deemed eligible.

#### Pricing Formula

Discount to fair market value of the Equity Shares as on the date of grant.

#### Method used for accounting of share-based payment plans

The employee compensation cost has been calculated using Black Scholes Option Pricing Model. The assumptions are as stated in the below table. The employee compensation cost as per fair value method for the financial year 2020-21 is ₹11.20 million and for financial year 2019-20 is ₹ 16.61 million.

Employee stock options details as on the balance sheet date are as follows:

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year	3,21,930	451.04	3,36,895	451.04
Granted during the year	-	-	-	-
Vested during the year	68,176	451.04	71,169	451.04
Exercised during the year	-	451.04	-	451.04
Lapsed during the year	48,221	451.04	14,965	451.04
Options outstanding at the end of the year	2,73,709	451.04	3,21,930	451.04
Options available for grant	49,886	-	23,281	-
Options exercisable at the end of the year	1,56,977	-	1,17,401	-

## NOTES ON STANDALONE FINANCIAL STATEMENTS

### for the year ended March 31, 2021

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Grant date	April 12, 2017
	Weighted average
Stock Price (₹)	601.38
Volatility	20.56%
Risk-free Rate	6.91%
Exercise Price (₹)	451.04
Time To Maturity (In years)	5.50
Dividend yield	1.00%
<b>Option Fair Value (₹)</b>	<b>268.77</b>

#### Note 35: Micro Small & Medium Enterprises

Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act) and Schedule III of the Companies Act, 2013 for the year ended March 31, 2021. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors.

Particulars	March 31, 2021	March 31, 2020
a) The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due remaining unpaid	44.46	32.39
Interest amount due remaining unpaid	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the MSME Act along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSME Act.	-	-

#### Note 36: Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker (CODM), in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the managing director and the company has only one reportable business segment i.e. 'pharmaceuticals'.

## NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

### Note 37: Items included in Financial Activities

	(₹. In Million)				
	As at March 31,2020	Cash Flows	Net Additions	Other Changes	As at March 31, 2021
Lease Liability	105.48	(63.44)	5.84	5.54	53.42

	(₹. In Million)				
	As at March 31,2019	Cash Flows	Net Additions	Other Changes	As at March 31, 2020
Lease Liability	-	(96.54)	178.63	23.39	105.48
Borrowings	1,759.15	(1,750.00)	-	(9.15)	-

### Note 38: Regrouping

Previous year figures have been regrouped wherever necessary, so as to make them comparable with those of the current year.

#### For and on behalf of the Board of Directors

**Amit I. Bakshi**  
Managing Director  
DIN: 01250925

**Inderjeet Singh Negi**  
Whole Time Director  
DIN: 01255388

**Sachin Shah**  
Chief Financial Officer  
Place: Ahmedabad  
Date: May 13, 2021

**Milind Talegaonkar**  
Company Secretary  
Membership No-A26493

# CONSOLIDATED FINANCIAL STATEMENTS

# INDEPENDENT AUDITOR’S REPORT

## TO THE MEMBERS OF ERIS LIFESCIENCES LIMITED

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of **ERIS LIFESCIENCES LIMITED** (“the Parent”) and its subsidiaries, (the Parent and its subsidiaries together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements / financial information of the subsidiaries referred to in the Other Matters section below, 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (‘Ind AS’), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, 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 specified under section 143 (10) of the Act (SAs). 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 Group 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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 matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor’s Response
1.	<b>Carrying values of acquired intangible assets</b>  Carrying values of acquired intangibles assets Refer note 2(b) to the Consolidated Financial Statements. As at March 31, 2021, the Group had Rs. 6764.31 millions of carrying value of acquired intangibles. Intangibles are amortised over its estimated useful life and tested for impairment if impairment indicators exist. If such indicators exist, the recoverable amounts of the intangibles are estimated in order to determine the extent of the impairment loss, if any. Any such impairment loss is recognised in the Statement of Profit and Loss. For determination and review of assessing indicators of impairment, the Management considers internal and external factors including technological, market, economic or legal environment in which the Group operates or in the market to which the asset is dedicated. Recoverability of the carrying values of acquired intangible assets is dependent on future cash flows of the underlying cash generating units (CGUs) and there is a risk that if these cash flows do not meet management’s expectations the assets will be impaired. The cash flow forecasts and related value in use calculations include a number of significant management assumptions, judgements and estimates including revenue growth rates, profit margin and perpetual growth rates and discount rate that are dependent on expected future market and economic conditions.	<b>Principal audit procedures performed:</b>  Our audit procedures included a combination of testing the design, implementation and operating effectiveness in respect of Parent company’s management’s assessment of existence of indicators of impairment and where applicable determination of recoverable amounts to measure the impairment provision that needs to be accounted for. Our substantive testing procedures included evaluation of appropriateness of management’s estimate and judgement whether any indicators of impairment existed. The Component auditors have reported to us that they have also performed above procedures.

	<p>Any change in the basis or assumptions could materially affect the amortisation and recoverable amount used in the impairment test with a consequent impact on the consolidated financial statements of the Group. In view of the foregoing, valuation and allocation of intangibles has been identified as a Key Audit Matter.</p>	
2.	<p><b>Carrying value of Goodwill</b></p>	<p><b>Principal audit procedures performed:</b></p>
	<p>Carrying value of Goodwill Refer to note 2(b) to the consolidated financial statements.</p> <p>As at March 31, 2021, the Group's carrying value of goodwill is Rs. 934.74 millions.</p> <p>In accordance with Ind AS, goodwill needs to be tested for impairment at every reporting period. Recoverability of the carrying value of goodwill is predicated upon appropriate attribution of goodwill to a cash generating unit or group of cash generating units (CGU) and determination of recoverable amount of the underlying CGUs.</p> <p>Significant Management judgement is required in the area of impairment testing,</p> <p>particularly in assessing whether the carrying value of the CGU including the goodwill can be supported by the recoverable amount. Recoverability of the carrying values of goodwill is dependent on future cash flows of the underlying cash generating units (CGUs) and there is a risk that if these cash flows do not meet management's expectations, the assets will be impaired. The cash flow forecasts and related value in use calculations include a number of significant management assumptions, judgements and estimates including revenue growth rates, net profit margin, perpetual growth rates and discount rate that are dependent on expected future market and economic conditions.</p> <p>Any change in the basis or assumptions could materially affect the recoverable amount used in the impairment test with a consequent impact on the consolidated financial statements of the Group.</p> <p>In view of the foregoing, valuation and allocation of goodwill has been identified as a Key Audit Matter.</p>	<p>Our audit procedures included a combination of testing the design, implementation and operating effectiveness in respect of management's basis for allocation of goodwill to CGUs and determination of recoverable amounts to measure the impairment provision, if any, that needs to be accounted for.</p> <p>As part of our substantive testing procedures, we have examined management's judgement and estimates in the area of impairment testing by considering and evaluating cash flow projections, the reasonableness of key assumptions including revenue growth rates, net profit margin and perpetual growth rates used to estimate future cash flows and discount rates applied to these forecasted future cash flows and retrospective review of the projections. We also assessed the disclosures made by the Company.</p>

#### 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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Corporate Governance, Report in Annual 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 subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors 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 subsidiaries, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's Responsibility 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 Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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,

### 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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Corporate Governance Report in Annual Report for the year ended March 31, 2021 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 subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors 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 subsidiaries, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility 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 Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 Board of Directors of the companies included in the Group 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 intends 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 companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### 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.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Group 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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 (i) in 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 and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 Matter**

We did not audit the financial statements / financial information of four subsidiaries, whose financial statements / financial information reflect total assets of Rs. 1,406.72 millions as at March 31, 2021, total revenues of Rs. 1,306.12 millions and net cash outflows amounting to Rs. 31.91 millions for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

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 our reliance on the work done and the reports of the other auditors.

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

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements / financial information of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows 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 March 31, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting 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 and subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
  - g) 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.



- h) 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 Group;
  - ii) The Group 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 Parent and its subsidiary companies.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Manoj H. Dama**  
**(Partner)**  
(Membership No. 107723)  
(UDIN:21107723AAAHT9410)

Mumbai, May 13, 2021

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

TO THE MEMBERS OF ERIS LIFESCIENCES LIMITED

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting 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 of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Eris Lifesciences Limited (hereinafter referred to as “Parent”) and its subsidiary companies, as of that date.

#### Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies, 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. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 and the audit evidence obtained by the other auditors of the subsidiary companies, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting 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 over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, the Parent and its subsidiary companies, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

**Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to four subsidiary companies, is based solely on the corresponding reports of the auditors of such companies.

Our opinion is not modified in respect of the above matter.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Manoj H. Dama**  
**(Partner)**

(Membership No. 107723)  
(UDIN:21107723AAAHT9410)

Mumbai, May 13, 2021

# CONSOLIDATED BALANCE SHEET

for the year ended March 31, 2021

(₹. In Million)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>I. ASSETS :</b>			
<b>(1) Non current assets</b>			
(a) Property, Plant and Equipment	2(a)	749.95	812.51
(b) Right-of-use asset	2(a)	28.83	60.28
(c) Goodwill	2(b)	934.74	934.74
(d) Other Intangible assets	2(b)	6,825.21	6,940.96
(e) Intangible assets under development	2(b)	15.55	43.73
(f) Financial assets			
Investments	3	2,436.45	32.04
Loans	10	49.49	29.73
Other financial asset	5	450.91	53.39
(g) Income tax assets (net)	4(d)	38.34	39.48
(h) Deferred tax assets (net)	4(f)	2,006.32	1,709.11
(i) Other non-current assets	6	141.55	70.91
<b>Total Non current assets</b>		<b>13,677.34</b>	<b>10,726.88</b>
<b>(2) Current assets</b>			
(a) Inventories	7	944.66	694.75
(b) Financial assets			
Investments	3	503.99	747.81
Trade receivables	8	1,404.88	1,568.84
Cash and cash equivalents	9(a)	369.15	673.07
Other bank balances	9(b)	13.61	0.19
Loans	10	33.36	23.49
Other financial asset	5	478.31	101.97
(c) Other current assets	6	922.50	986.05
<b>Total Current assets</b>		<b>4,670.46</b>	<b>4,796.17</b>
<b>TOTAL - ASSETS</b>		<b>18,347.80</b>	<b>15,523.05</b>
<b>II. EQUITY AND LIABILITIES :</b>			
<b>(1) Equity</b>			
(a) Share capital	11	135.78	135.78
(b) Other Equity	12	15,628.43	12,827.56
Equity attributable to the owners of the company		15,764.21	12,963.34
Non-controlling Interest		0.02	-
<b>Total Equity</b>		<b>15,764.23</b>	<b>12,963.34</b>

(₹. In Million)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>(2) Non Current Liabilities</b>			
(a) Financial Liabilities			
Lease Liabilities	14	44.47	61.44
Other financial liabilities	14	36.19	54.38
(b) Long-term provisions	15	313.30	259.77
(c) Other non-current liabilities	16	24.92	31.07
(d) Deferred tax liabilities (net)	4(f)	495.38	506.15
<b>Total Non Current Liabilities</b>		<b>914.26</b>	<b>912.81</b>
<b>(3) Current Liabilities</b>			
(a) Financial Liabilities			
Trade payables	17		
A) Due to Micro and Small Enterprises		72.75	33.08
B) Due to other than Micro and Small Enterprises		953.41	967.43
Lease Liabilities	14	23.20	59.99
Other financial liabilities	14	98.51	16.20
Short term borrowings	13	0.10	-
(b) Short-term provisions	15	274.87	301.97
(c) Other current liabilities	16	168.96	198.25
(d) Income tax liabilities (net)	4(e)	77.51	69.98
<b>Total Current Liabilities</b>		<b>1,669.31</b>	<b>1,646.90</b>
<b>Total Liabilities</b>		<b>2,583.57</b>	<b>2,559.71</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>18,347.80</b>	<b>15,523.05</b>

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

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

**Manoj H. Dama**  
Partner

**Amit I. Bakshi**  
Managing Director  
DIN: 01250925

**Inderjeet Singh Negi**  
Whole Time Director  
DIN: 01255388

Place: Mumbai  
Date: May 13, 2021

**Sachin Shah**  
Chief Financial Officer  
Place: Ahmedabad  
Date: May 13, 2021

**Milind Talegaonkar**  
Company Secretary  
Membership No-A26493

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

(₹. In Million)

Particulars	Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>REVENUE:</b>			
Revenue from operations	18		
Sale of products		11,926.44	10,581.83
Other operating income		192.19	158.76
<b>Total Revenue from Operations</b>		<b>12,118.63</b>	<b>10,740.59</b>
Other income	19	87.08	153.96
<b>Total Revenue (I)</b>		<b>12,205.71</b>	<b>10,894.55</b>
<b>EXPENSES:</b>			
(a) Cost of materials consumed	20	994.26	768.81
(b) Purchases of stock-in-trade		1,770.14	732.43
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(381.74)	214.07
(d) Employee benefits expense	22	2,293.04	2,056.93
(e) Other expenses	23	3,137.17	3,284.61
<b>Total (II)</b>		<b>7,812.87</b>	<b>7,056.85</b>
<b>Profit before interest, tax, depreciation and amortisation (I - II)</b>		<b>4,392.84</b>	<b>3,837.70</b>
Finance costs	24	18.02	21.62
Depreciation and amortisation expense	2	429.85	502.58
<b>Profit before tax</b>		<b>3,944.97</b>	<b>3,313.50</b>
Tax expenses :	4		
(a) Current tax		694.02	606.96
(b) Deferred tax		(300.40)	(258.53)
<b>Total tax expense</b>		<b>393.62</b>	<b>348.43</b>
<b>Profit for the year</b>		<b>3,551.35</b>	<b>2,965.07</b>
<b>Attributable to :</b>			
- Owners of the company		3,551.35	2,964.97
- Non controlling interest		-	0.10

<b>Other Comprehensive Income</b>		
Items that will not be reclassified to profit or loss		
Re-measurement gains / (losses) on defined benefit plans	(22.47)	(18.63)
Income tax relating to items that will not be reclassified to profit or loss		
Re-measurement gains / (losses) on defined benefit plans	7.58	6.45
	<b>(14.89)</b>	<b>(12.18)</b>
<b>Total Comprehensive Income for the year</b>		
	<b>3,536.46</b>	<b>2,952.89</b>
<b>Attributable to :</b>		
- Owners of the company	3,536.46	2,952.79
- Non controlling interest	-	0.10
<b>Earnings per equity share of face value ₹ 1 each</b>		
	25	
Basic (₹)	26.16	21.61
Diluted (₹)	26.14	21.59

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
 Chartered Accountants

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

**Manoj H. Dama**  
 Partner

**Amit I. Bakshi**  
 Managing Director  
 DIN: 01250925

**Inderjeet Singh Negi**  
 Whole Time Director  
 DIN: 01255388

Place: Mumbai  
 Date: May 13, 2021

**Sachin Shah**  
 Chief Financial Officer  
 Place: Ahmedabad  
 Date: May 13, 2021

**Milind Talegaonkar**  
 Company Secretary  
 Membership No-A26493

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2021

(₹. In Million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. Cash flow from operating activities</b>		
Profit before tax	3,944.97	3,313.50
Adjustments for :		
Depreciation and amortisation expense	429.85	502.58
Net Loss on property plant and equipment sold/written off	0.06	0.87
Finance costs	18.02	21.62
Dividend income	-	(0.03)
Interest income	(22.85)	(16.06)
Net gain on sale of investments	(28.55)	(92.40)
Net (gain) / loss on investments carried at fair value through profit or loss	(21.22)	6.18
Provision for doubtful debts / Other financial assets	65.10	18.78
Deferred capital subsidy	(9.91)	(15.03)
Gain From Termination Of Lease Ind As 116	(0.98)	(0.75)
Share based payment expense	11.20	16.61
<b>Operating profit before working capital changes</b>	<b>4,385.69</b>	<b>3,755.87</b>
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	158.96	(747.86)
Inventories	(249.91)	131.78
Other asset	74.70	(215.34)
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	25.66	159.34
Other liabilities	(25.53)	(20.64)
Provisions	3.96	138.96
Other Financial Liabilities	65.43	27.26
<b>Cash generated from operations</b>	<b>4,438.96</b>	<b>3,229.37</b>
Net income tax paid	(685.35)	(517.71)
<b>Net cash flow from operating activities (A)</b>	<b>3,753.61</b>	<b>2,711.66</b>



## CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2021

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment (including intangible assets)	(257.63)	(1,512.82)
Proceeds from sale of property plant and equipment	0.38	54.67
Consideration paid towards investment in subsidiary	-	(213.73)
Investments in mutual funds and bonds	(3,720.50)	(380.88)
Proceeds from redemption of mutual funds and Shares	774.20	3,260.79
Loan to Others repayment received	0.37	16.34
Loan to Others given	(30.00)	(5.00)
Bank balances not considered as cash and cash equivalents-Placed	(13.42)	(0.12)
Dividend income	-	0.03
Interest income	13.02	13.04
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(3,233.58)</b>	<b>1,232.32</b>
<b>C. Cash flow from financing activities</b>		
Proceeds of borrowings	0.10	-
Repayment of borrowings	-	(1,755.08)
Buy back expense	-	(16.77)
Buy back of shares	-	(1,000.00)
Finance costs	(17.81)	(18.25)
Dividend and dividend distribution tax paid	(746.79)	(469.79)
Lease payment	(59.45)	(86.02)
<b>Net cash used in financing activities ( C )</b>	<b>(823.95)</b>	<b>(3,345.91)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(303.92)</b>	<b>598.07</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>673.07</b>	<b>75.00</b>
<b>Cash and cash equivalents at end of the year {Refer note-9(a)}</b>	<b>369.15</b>	<b>673.07</b>

**Notes:**

- (i) The Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 on Statement of Cash Flows notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).

## CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2021

(ii) Cash and Cash Equivalents {Refer note-9(a)}

		(₹. In Million)
Cash on hand	0.81	0.69
Balance with banks		
In Current Account	317.60	660.44
Cheque in hand	50.74	11.94
<b>Cash and Cash Equivalents as per Cash flow statement</b>	<b>369.15</b>	<b>673.07</b>

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
 Chartered Accountants

**Manoj H. Dama**  
 Partner

Place: Mumbai  
 Date: May 13, 2021

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

**Amit I. Bakshi**  
 Managing Director  
 DIN: 01250925

**Sachin Shah**  
 Chief Financial Officer  
 Place: Ahmedabad  
 Date: May 13, 2021

**Inderjeet Singh Negi**  
 Whole Time Director  
 DIN: 01255388

**Milind Talegaonkar**  
 Company Secretary  
 Membership No-A26493

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

A. Equity Share Capital								(₹. In Million)
Particulars (refer note-11)								Amount
As at April 1, 2019								137.52
Change in Equity Share Capital (Pursuant to buyback of shares) (Refer note 11.6)								(1.74)
As at March 31, 2020								135.78
Change in Equity Share Capital								-
As at March 31, 2021								135.78
B. Other Equity								(₹. In Million)
Particulars (refer note-12)	Retained Earnings	General Reserve	Securities Premium	Share based payment reserve	Capital reserve on amalgation	Capital redemption reserve	Total Other Equity	
As at April 1, 2019	11,335.22	7.00	13.49	11.95	-	-	11,367.66	
Add: Profit for the year	2,964.97	-	-	-	-	-	2,964.97	
Add: Other comprehensive Income for the year	(12.18)	-	-	-	-	-	(12.18)	
Less: Buy Back expense	(10.91)	-	-	-	-	-	(10.91)	
Less: Buy Back of equity shares {Refer note 11.6}	(979.51)	(7.00)	(13.49)	-	-	-	(1,000.00)	
Add: Transfer to capital redemption reserve on buy back of equity shares	-	-	-	-	-	1.74	1.74	
Add: share based payments to employees of the Parent company	-	-	-	16.59	-	-	16.59	
Less: Payment of Dividend {Refer note 11.7}	(389.69)	-	-	-	-	-	(389.69)	
Less: Payment of Dividend Distribution Tax	(80.10)	-	-	-	-	-	(80.10)	
Less: Transfer to capital reserve on amalgation of subsidiaries	(83.82)	-	-	-	83.82	-	-	
Less: Acquisition of Minority stake {Refer note 27}	(30.52)	-	-	-	-	-	(30.52)	
As at March 31, 2020	12,713.46	-	-	28.54	83.82	1.74	12,827.56	
Add: Profit for the year	3,551.35	-	-	-	-	-	3,551.35	
Add: Other comprehensive Income for the year	(14.89)	-	-	-	-	-	(14.89)	
Less: Payment of Dividend	(746.79)	-	-	-	-	-	(746.79)	
Add: share based payments to employees of the Parent company	-	-	-	11.20	-	-	11.20	
As at March 31, 2021	15,503.13	-	-	39.74	83.82	1.74	15,628.43	

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Manoj H. Dama**  
Partner

Place: Mumbai  
Date: May 13, 2021

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

**Amit I. Bakshi**  
Managing Director  
DIN: 01250925

**Sachin Shah**  
Chief Financial Officer  
Place: Ahmedabad  
Date: May 13, 2021

**Inderjeet Singh Negi**  
Whole Time Director  
DIN: 01255388

**Milind Talegaonkar**  
Company Secretary  
Membership No-A26493

## Corporate Information:

Eris Lifesciences Limited (“Parent Company”) and its subsidiaries (together referred to as “the group”) is engaged in the manufacture and marketing of pharmaceutical products. The Parent Company has a manufacturing plant located in Guwahati, Assam. The Parent Company’s shares are listed on the National Stock Exchange of India Limited and BSE Limited.

### Note 1: Significant accounting policies

#### 1.1 Basis of preparation :

##### (A) Compliance with Ind AS

The 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.

##### (B) Historical Cost Convention

The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Investments in mutual funds and equity investments
- Defined benefit plan – plan assets measured at fair value
- Certain financial assets and liabilities measured at fair value
- Lease liability is booked based on IND AS 116

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

##### (C) Current and Non-current classification

The assets and liabilities reported in the balance sheet are classified on a “current/non-current basis”, with separate reporting of assets held for sale and corresponding liabilities. Current assets, which include cash and cash equivalents are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Group. A liability is current when it is expected to be settled in normal operating cycle, held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting date and there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Deferred tax assets and liabilities are

classified as non-current assets and liabilities. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

#### 1.2 Basis of consolidation:

The Group consolidates all entities which it controls. Control is established when the Group has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has ability to affect the entity’s returns by using its power over the entity. Subsidiaries are consolidated from the date control commences and until the date control ceases.

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

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

#### 1.3 Critical Accounting Judgements And Key Sources of Estimation Uncertainty:

The preparation of the financial statements in conformity with the recognition and measurement principles of Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amount of assets and liabilities is in respect of:

- Sales returns (refer note 1.4)
- Useful lives of property, plant and equipment (refer note 1.5)
- Useful lives of intangible assets (refer note 1.6)
- Impairment of asset (refer note 1.9)
- Valuation of inventories (refer note 1.10)
- Employee benefits (refer note 1.14)
- Valuation of deferred tax assets (refer note 1.15)
- Provisions & contingent liabilities (refer note 1.16)
- Impact of COVID on Business and Financial statements (refer note 26)

#### 1.4 Revenue recognition:

- a. Revenue from contract with customers is recognised when the Group satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods and services tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/discounts.

- b. Provision for sales returns are estimated on the basis of historical experience, market conditions and specific contractual terms 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 contractual and legal obligations, trade practices, historical trends, past experience and projected market conditions.
- c. Other income:
  - i) Dividend income is recognized when the right to receive dividend is established.
  - ii) Interest income is recognized using the time-proportion method, based on rates implicit in the transaction.
  - iii) Other income is recognised when no significant uncertainty as to its determination or realisation exists.

**1.5 Property, Plant and Equipment:**

Property, Plant and Equipment are stated at cost of acquisition/ construction net of recoverable taxes less accumulated depreciation/ amortization and impairment loss, if any. All costs attributable to acquisition/construction of Property, Plant and Equipment till assets are put to use, are capitalized. Subsequent expenditure on Property, Plant and Equipment after its purchase/completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

An item of property, plant and equipment is derecognized 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 recognized in statement of profit and loss.

Depreciation on Property, Plant and Equipment (other than 'Freehold Land' where no depreciation is provided), is provided on the "Written Down Value Method" (WDV) based on the useful lives as prescribed under Schedule II of the Companies Act, 2013 except in respect of some equipments and some furniture and fixtures, in whose case the life of the assets has been assessed as 3 years based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Depreciation on additions/disposals of the fixed assets during the year is provided on pro-rata basis according to the period during which assets were put to use.

**1.6 Intangible Assets:**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangibles are not capitalised and the related

expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

Intangibles are amortised over its estimated useful life and tested for impairment if impairment indicators exist. If such indicators exist, the recoverable amounts of the intangibles are estimated in order to determine the extent of the impairment loss, if any. Any such impairment loss is recognised in the Statement of Profit and Loss.

For determination and review of assessing indicators of impairment, the Management considers internal and external factors including technological, market, economic or legal environment in which the Company operates or in the market to which the asset is dedicated. Recoverability of the carrying values of acquired intangible assets is dependent on future cash flows of the underlying cash generating units (CGUs) and there is a risk that if these cash flows do not meet management's expectations the assets will be impaired. The cash flow forecasts and related value in use calculations include a number of significant management assumptions, judgements and estimates including revenue growth rates, profit margin and perpetual growth rates and discount rate that are dependent on expected future market and economic conditions.

The estimated useful lives of intangibles are as mentioned below:

Type of intangible assets	Useful life
Trademark/Brands	Upto 50 years
Non-compete fees	Upto 5 years
Software	Upto 6 years

**1.7 Business combinations and Goodwill**

**1.7.1 Business combinations**

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

**1.7.2 Goodwill**

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

## 1.8 Financial Instruments

### Financial assets

#### Initial recognition and 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 directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

#### Subsequent measurement

i. Debt instruments at amortised cost- A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset gives rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii. Equity investments – The Group measures its equity instruments other than investment in subsidiaries at fair value through profit and loss (FVTPL) in accordance with the requirements of Ind AS 109. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

iii. Mutual funds – All mutual funds within the scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

iv. Investment in Subsidiaries - Investment in subsidiaries are carried at cost in the financial statements as per Ind AS 27.

#### De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

### Financial liabilities

#### Initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of financial liabilities not recorded at fair value through profit & loss (FVTPL), the transaction costs that are attributable to the acquisition of the financial liabilities are also adjusted. These liabilities are classified as amortised cost.

#### Subsequent measurement

These liabilities includes borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

### De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 1.9 Impairment of assets:

### Financial Asset

A financial asset is assessed at each reporting date to determine whether there is any objective evidence indicating impairment. A financial asset is considered to be impaired, if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of that asset.

### Non-Financial Asset

The carrying amount of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated. An impairment loss is recognised, as an expense in the statement of profit and loss, for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets' fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets.

An impairment loss is reversed if there is any change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment has been recognised.

## 1.10 Inventories:

- a. Inventories are valued at the lower of cost and net realizable value. Cost of raw materials, packing materials and stores, spares and consumables includes all charges incurred in bringing the goods to the warehouse, including any levies, transit insurance and receiving charges.
- b. Costs of Finished Goods and Work-in-Progress are determined on specific identification basis by taking material cost [net of GST credit availed], labour and relevant appropriate overheads.
- c. Stock-in-trade is valued at the lower of cost and net realizable value.

## 1.11 Cash and cash equivalents:

Cash and cash equivalents comprises cash on hand and at banks, short-term deposits (with an original maturity of three months or less from the date of acquisition), and which are subject to insignificant risk of changes in value.



For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, as they are considered an integral part of the Group's cash management.

### 1.12 Borrowings:

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

### 1.13 Earnings Per Share:

Basic earnings per share is computed by dividing the profit or loss attributable to equity holders of the Parent Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing the profit or loss attributable to the equity holders of the Parent Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares are adjusted for share splits, bonus shares and buy back, as appropriate.

### 1.14 Employee Benefits:

#### (A) Defined contribution plan:

The Group's contribution to provident fund and employee state insurance scheme are defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

#### (B) Defined benefit obligations plan:

- (i) The gratuity scheme is administered through the Life Insurance Corporation of India [LIC]. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation done by an independent actuary at the year end, which is calculated using projected unit credit method. Actuarial gains and losses which comprise experience adjustment and the effect of changes in actuarial assumptions are recognised in Other comprehensive income in the period in which they occur.
- (ii) The Group also provides benefit of compensated absences to its employees which are in the nature of long-term benefit plan. Provision for compensated absences is made on the basis of actuarial valuation carried out at the Balance Sheet date. The Group recognises actuarial gains and losses that arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation, in the statement of Profit and Loss, as income or expense.

### (C) Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

### 1.15 Taxes on Income:

Income tax expense comprises current and deferred tax expense. Income tax expenses are recognized in statement of profit and loss, except when they relate to items recognized in other comprehensive income or directly in equity, in which case, income tax expenses are also recognized in other comprehensive income or directly in equity respectively.

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. 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 taxes arising from deductible and taxable temporary differences between the tax base of assets and liabilities and their carrying amount in the financial statements are recognized 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 recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. 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 utilized.

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

### 1.16 Provisions, Contingent Liabilities and Contingent Assets:

#### Provisions

Provisions are recognized only when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

#### Contingent liability

It is disclosed for:

- a. Possible obligations which will be confirmed only by future events not wholly within the control of the Group, or
- b. Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.



### 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 Group. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

#### 1.17 Leases:

During the financial year 2018-19, Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Operating lease payments were recognized as an expense on a straight line basis over the lease term unless the payments are structured to increase in line with the expected general inflation so as to compensate for the lessor's expected inflationary cost increases.

Effective from April 01, 2019, the Group has adopted Ind AS 116 "Leases" and applied it to all lease contracts existing on April 01, 2019 using modified retrospective method.

At inception of a contract, the Group 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 asset for a period of time in exchange for consideration.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases are recognised as an expense in the statement of profit and loss on a written down value basis over the lease term. Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the written down value method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method. (Refer note 32)

#### 1.18 Foreign currency transactions and translation:

Transactions in foreign currencies entered into by the Group are accounted for at the exchange rate prevailing at the date of transaction. Foreign currency monetary assets and liabilities remaining unsettled at the end of the year are translated at the exchange rate prevailing at the end of the year. All differences arising on settlement/restatement are adjusted in the statement of profit and loss.

#### 1.19 Government Grant:

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the Statement of Profit or Loss on a systematic basis over the useful life of the asset.

#### 1.20 Share-based payment transactions:

Equity settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, in accordance with IND AS 102 Share based payment, based on the Parent company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "Share based payment reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

#### 1.21 Measurement of Profit before interest, tax, depreciation and amortisation

The Group has opted to present profit before interest (finance cost), tax, depreciation and amortization as a separate line item on the face of the Statement of Profit and Loss for the period. The Group measures profit before interest (finance cost), tax, depreciation and amortization based on profit/(loss) from continuing operations.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

### Note 2: Property, Plant and Equipment and Intangible Assets

#### (a) Property, Plant and Equipment :

(₹. In Million)

Particulars	Freehold Land	Building	Plant and Machinery	Vehicles	Equipment	Furniture and Fixtures	Electric Installation	Right of use asset (Refer note 32)	Total
<b>Gross carrying amount:</b>									
As at April 1, 2019	31.03	194.14	201.00	136.36	458.81	72.53	3.35	-	1,097.22
Additions during the Year	-	135.84	159.30	17.90	101.72	86.07	32.77	196.78	730.38
Deductions during the Year	8.05	3.98	-	13.93	215.01	-	-	2.87	243.84
As at March 31, 2020	22.98	326.00	360.30	140.33	345.52	158.60	36.12	193.91	1,583.76
Additions during the Year	-	-	0.62	50.75	82.32	34.28	-	6.67	174.64
Deductions during the Year	-	-	1.32	-	0.12	-	-	-	1.44
As at March 31, 2021	22.98	326.00	359.60	191.08	427.72	192.88	36.12	200.58	1,756.96
<b>Accumulated depreciation:</b>									
As at April 1, 2019	-	53.15	97.23	56.61	311.63	23.54	1.83	-	543.99
Depreciation for the Year	-	18.66	35.72	27.98	92.61	41.97	4.21	135.33	356.48
Deductions during the Year	-	0.71	-	9.25	177.84	-	-	1.70	189.50
As at March 31, 2020	-	71.10	132.95	75.34	226.40	65.51	6.04	133.63	710.97
Depreciation for the Year	-	23.56	47.68	25.11	86.18	39.78	7.78	38.12	268.21
Deductions during the Year	-	-	0.94	-	0.06	-	-	-	1.00
As at March 31, 2021	-	94.66	179.69	100.45	312.52	105.29	13.82	171.75	978.18
<b>Net carrying amount</b>									
As at March 31, 2020	22.98	254.90	227.35	64.99	119.12	93.09	30.08	60.28	872.79
As at March 31, 2021	22.98	231.34	179.91	90.63	115.20	87.59	22.30	28.83	778.78

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

### (b) Intangible Assets:

(₹. In Million)

Particulars	Goodwill	Other Intangible Assets			Total
		Trademark/ Brand	Non compete fees	Computer Software	
<b>Gross carrying amount:</b>					
As at April 1, 2019	935.87	6,280.20	50.00	19.35	6,349.55
Additions during the Year	-	960.20	-	10.61	970.81
Deductions during the Year	1.13	-	-	-	-
As at March 31, 2020	934.74	7,240.40	50.00	29.96	7,320.36
Additions during the Year	-	0.01	-	45.88	45.89
Deductions during the year	-	-	-	-	-
As at March 31, 2021	934.74	7,240.41	50.00	75.84	7,366.25
<b>Accumulated Amortisation:</b>					
As at April 1, 2019	-	199.23	26.44	7.62	233.29
Amortisation for the year	-	132.06	10.02	4.03	146.11
Deductions during the year	-	-	-	-	-
As at March 31, 2020	-	331.29	36.46	11.65	379.40
Amortisation for the year	-	144.81	10.00	6.83	161.64
Deductions during the year	-	-	-	-	-
As at March 31, 2021	-	476.10	46.46	18.48	541.04
<b>Net carrying amount</b>					
As at March 31, 2020	934.74	6,909.11	13.54	18.31	6,940.96
As at March 31, 2021	934.74	6,764.31	3.54	57.36	6,825.21
<b>Intangible assets under development</b>					
As at March 31, 2020	-	-	-	43.73	43.73
As at March 31, 2021	-	-	-	15.55	15.55

#### Note:

- The Group tests goodwill on an annual basis or based on an indicator. Based on the annual impairment test no provision towards impairment was required necessary. The recoverable amounts determined based on value-in-use calculations which is calculated as the net present value of forecasted cash flows of the cash generating unit (CGU) to which the goodwill is related.

The key assumptions for CGUs with significant amount of goodwill as follows:

- Projected cash flows for five years based on financial budgets/forecasts in line with the past experience. The perpetuity value is taken based on the long term growth rate depending on macro economic growth factors.
- Discount rate applied to projected cash flow is 12%.

Acquired brands are considered as CGU for testing impairment of goodwill amounting to ₹934.74 millions (Previous year ₹934.74 million) generated on acquisition of brands.

The Management believes that any reasonable possible change in the key assumptions on which a recoverable amount is based would not cause the carrying amount to exceed its recoverable amount of the CGU.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

## Note 3: Investments

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units/Shares (Numbers)	(₹. In Million)	Units/Shares (Numbers)	(₹. In Million)
<b>Non current investments</b>				
<b>(I) At amortised cost</b>				
<b>Investment in Tax Free Bonds (unquoted)</b>				
Rural Electrification Corporation Bond of Rs. 10,000 each	500	5.00	-	-
<b>(II) At Fair Value through Profit or Loss</b>				
<b>Investment in Mutual Funds (unquoted)(Refer note 3.1 below)</b>				
Kotak Floating Rate Fund Direct Growth	3,47,183	401.71	-	-
ABSL Banking PSU Fund Growth Direct	1,72,981	50.12	-	-
HDFC Ultra Short Fund Direct Growth	3,35,59,812	400.68	-	-
HDFC Floating Rate Income Fund Direct Plan Growth	99,74,232	381.92	-	-
ICICI Savings Fund (Low Duration Fund) Direct Plan Growth	8,47,618	355.74	-	-
ABSL Low Duration Fund Growth Direct	6,44,241	355.67	-	-
IDFC Corporate Bond Fund Direct Plan Growth	2,96,98,080	453.42	-	-
<b>Investment in Tax Free Bonds (quoted)</b>				
Rural Electrification Corporation Bond of Rs. 1,000 each	1,000	1.21	1,000	1.11
Indian Railway Finance Corporation Bond of Rs. 1,000 each	1,000	1.19	1,000	1.19
Housing and Urban Development Corporation Bond of Rs. 1,000 each	1,000	1.17	1,000	1.12
<b>Investment in Equity Instruments</b>				
S3V Vascular Technologies Private Limited (Unquoted)	3,81,588	28.62	3,81,588	28.62
<b>Total (I)+(II)</b>		<b>2,436.45</b>		<b>32.04</b>
Aggregate carrying value of quoted investments		3.57		3.42
Aggregate market value of quoted investments		3.57		3.42
Aggregate carrying value of unquoted investments		2,432.88		28.62

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(₹. In Million)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units/Shares (Numbers)	(₹. In Million)	Units/Shares (Numbers)	(₹. In Million)
<b>Current investments</b>				
<b>(I) At amortised cost</b>				
Investment in NSC (unquoted)	-	0.02	-	0.02
<b>(II) At Fair Value through Profit or Loss</b>				
<b>Investment in Mutual funds (unquoted) (Refer note 3.1 below)</b>				
SBI Premier Liquid Fund Direct Growth	72,092	232.25	-	-
Franklin India Credit Risk Fund Direct Growth	-	-	1,75,37,091	347.31
SBI Overnight Fund Direct Growth	-	-	1,00,963	328.51
HDFC Liquid Fund Direct Plan Growth Option	67,165	271.72	-	-
Axis Liquid Fund Direct Growth	-	-	2,296	5.05
Kotak Mutual Fund Bond (Short Term) Direct Growth	-	-	16,68,356	66.92
<b>Total (I)+(II)</b>		<b>503.99</b>		<b>747.81</b>

### 3.1 Details of pledged securities:

Include ₹350.00 million (31-03-2020 - ₹414.23 million) marked under lien against overdraft facilities availed by the Parent company.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

## Note 4: Income Taxes

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(a) Expense / (benefit) recognised in the statement of profit and loss:</b>		
Current tax:		
Expense for current year	694.02	606.96
Deferred tax:		
Deferred tax (benefit) / expense for current year	(300.40)	(258.53)
	<b>393.62</b>	<b>348.43</b>
<b>(b) Expense / (benefit) recognised in statement of other comprehensive income</b>		
Re-measurement gains / (losses) on defined benefit plans	(7.58)	(6.45)
	<b>(7.58)</b>	<b>(6.45)</b>
<b>(c) Reconciliation of Effective Tax Rate :</b>		
Profit before income taxes	3,944.97	3,313.50
Enacted tax rate in India	34.944%	34.944%
Expected income tax expenses	1,373.05	1,157.87
<b>Adjustments to reconcile expected income tax expense to reported income tax expense:</b>		
Effect of expenses not deductible in determining taxable profit	80.23	57.97
Effect of income exempt from taxation	(0.93)	(1.10)
Tax incentives	(1,056.82)	(823.41)
Adjustment of current tax of prior period	2.59	3.04
Others (net)	(12.08)	(52.39)
Adjusted income tax expense	386.04	341.98
Group's weighted average tax rate	9.79%	10.32%

## (d) Income Tax Assets:

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	39.48	77.99
Less: Income tax refund	(0.09)	(3.73)
Less: Prior period adjustment	(1.32)	(2.69)
Add: Tax paid in advance, net of provisions / (Refund) during the year	0.27	(32.09)
<b>Closing Balance</b>	<b>38.34</b>	<b>39.48</b>
Classified as:		
Non Current	38.34	39.48
Current	-	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

### (e) Income Tax Liabilities:

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	69.99	18.11
Add: Prior period adjustment	2.08	0.35
Add: Current tax payable for the year	690.62	606.33
Less: Taxes paid	(685.18)	(554.81)
<b>Closing Balance</b>	<b>77.51</b>	<b>69.98</b>

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(f) Deferred tax relates to:</b>		
<b>Deferred tax assets</b>		
Property, plant and equipments (including ROU net of lease liability)	135.57	143.16
Minimum Alternate Tax credit entitlement	2,779.46	2,208.74
Carry forward tax losses and accumulated depreciation	40.97	65.12
Employee benefits	55.90	67.81
Other	19.72	2.99
	<b>3,031.62</b>	<b>2,487.82</b>
<b>Deferred tax liabilities</b>		
Intangible Assets	1,516.15	1,279.26
Fair Valuation of Investment	4.53	5.60
	<b>1,520.68</b>	<b>1,284.86</b>
<b>Total</b>	<b>1,510.94</b>	<b>1,202.96</b>

The deferred tax liabilities / assets are off-set, where the Group has a legally enforceable right to set-off assets against liabilities, and are presented in balance sheet as follows:

(₹. In Million)

Deferred tax assets	2,006.32	1,709.11
Deferred tax liabilities	495.38	506.15
<b>Net Deferred Tax</b>	<b>1,510.94</b>	<b>1,202.96</b>

The Group is virtually certain that future taxable income will be available against which deferred tax asset can be realised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that related tax benefit will be realised.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(₹. In Million)

Particulars	Property, plant and equipment	Minimum Alternate Tax credit entitlement	Carry Forward Losses and accumulated depreciation	Employee benefits	Intangible assets	Fair Valuation of Investment	Other	Total
<b>(g) Movement in Deferred tax Assets/(Liabilities) relates to :</b>								
<b>At April 1, 2019</b>	<b>95.53</b>	<b>1,832.04</b>	<b>58.44</b>	<b>45.67</b>	<b>(1,028.05)</b>	<b>(81.69)</b>	<b>9.05</b>	<b>930.99</b>
Charged/(Credited)								
- To Profit or Loss	(46.50)	(370.84)	(6.68)	(15.69)	251.21	(76.09)	6.06	(258.53)
- To Goodwill	(1.13)	-	-	-	-	-	-	(1.13)
- To Other equity	-	(5.86)	-	-	-	-	-	(5.86)
- To other comprehensive Income	-	-	-	(6.45)	-	-	-	(6.45)
<b>At March 31, 2020</b>	<b>143.16</b>	<b>2,208.74</b>	<b>65.12</b>	<b>67.81</b>	<b>(1,279.26)</b>	<b>(5.60)</b>	<b>2.99</b>	<b>1,202.96</b>
Charged/(Credited)								
- To Profit or Loss	7.59	(570.72)	24.15	19.49	236.89	(1.07)	(16.73)	(300.40)
- To other comprehensive Income	-	-	-	(7.58)	-	-	-	(7.58)
<b>At March 31, 2021</b>	<b>135.57</b>	<b>2,779.46</b>	<b>40.97</b>	<b>55.90</b>	<b>(1,516.15)</b>	<b>(4.53)</b>	<b>19.72</b>	<b>1,510.94</b>

## Note 5: Other Financial Assets

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-Current (Considered Good)</b>		
Security deposits	28.21	24.55
Receivable on sale of Investment in subsidiary	-	4.98
Fixed Deposits	422.70	-
Other receivables	-	23.86
	<b>450.91</b>	<b>53.39</b>
<b>Current (Considered Good, unless otherwise stated)</b>		
Insurance claim receivable	2.09	1.04
Fixed Deposits	420.29	-
Interest accrued	0.08	0.10
Security deposits	36.36	29.47
Receivable on sale of Investment in subsidiary		
- Considered Good	-	6.00
- Considered doubtful	12.00	-



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Less: Allowance for doubtful of recovery	(12.00)	-
Claims and Other receivables	-	-
- Considered Good	19.49	65.36
- Considered doubtful	48.10	-
Less: Allowance for doubtful of recovery	(48.10)	-
	<b>478.31</b>	<b>101.97</b>
<b>Total</b>	<b>929.22</b>	<b>155.36</b>

### Note 6: Other Assets

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-Current</b>		
Capital Advances	141.55	48.32
Other Advances	-	22.59
	<b>141.55</b>	<b>70.91</b>
<b>Current</b>		
Prepaid expenses	79.90	74.79
<b>Balances with government authorities</b>		
GST / Cenvat credit receivable	265.40	404.25
Others	2.14	1.83
Advance to supplier	568.27	497.81
Advances to employees	6.79	7.37
	<b>922.50</b>	<b>986.05</b>
<b>Total</b>	<b>1,064.05</b>	<b>1,056.96</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

### Note 7: Inventories

(At lower of cost and net realisable value)

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw Material and Packing Material {including goods-in-transit ₹2.03 Million (31-03-2020 - ₹19.13 Million)}	168.64	300.47
Work-in-progress	26.42	32.77
Finished goods	252.16	195.85
Stock-in-trade {including goods-in-transit ₹9.59 Million (31-03-2020 - ₹5.05 Million)}	494.57	162.79
Stores, spares & consumables	2.87	2.87
<b>Total</b>	<b>944.66</b>	<b>694.75</b>

### Note 8: Trade receivables

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured Considered good	-	-
Unsecured Considered good	1,404.88	1,568.84
Considered doubtful	25.18	20.18
Trade Receivables-credit impaired	-	-
	<b>1,430.06</b>	<b>1,589.02</b>
Less: Allowance for doubtful debt (expected credit loss)	25.18	20.18
<b>Total</b>	<b>1,404.88</b>	<b>1,568.84</b>

### Movements in allowance for doubtful trade receivables

Opening Balance	20.18	2.20
Add : Provision during the year	5.00	18.75
Less : Utilisation during the year	-	(0.77)
Closing Balance	25.18	20.18

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

### Note 9: Cash and cash equivalents

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(a) Cash and cash equivalents</b>		
Cash on hand	0.81	0.69
Balances with banks in current accounts*	317.60	660.44
Cheque in hand	50.74	11.94
	<b>369.15</b>	<b>673.07</b>
<b>(b) Other bank balances</b>		
In fixed deposit accounts to extent held as security deposit with GST department and tender deposit	13.61	0.19
<b>Total</b>	<b>382.76</b>	<b>673.26</b>

\*Includes Unclaimed Dividend of ₹ 0.45 million (Previous year ₹ 0.96 million).

### Note 10: Loans

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-Current</b>		
Loans Receivables considered good - Unsecured	49.49	29.73
	<b>49.49</b>	<b>29.73</b>
<b>Current</b>		
Loans Receivables considered good - Secured	-	-
Loans Receivables considered good - Unsecured	33.36	23.49
Loans Receivables which have significant increase in Credit Risk	5.19	5.82
Loans Receivables - credit impaired	-	-
	<b>38.55</b>	<b>29.31</b>
Less: Allowance for doubtful loan	(5.19)	(5.82)
	<b>33.36</b>	<b>23.49</b>
<b>Total</b>	<b>82.85</b>	<b>53.22</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

## Note 11: Share capital

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Authorised:</b>		
30,00,00,000 (Previous year 30,00,00,000) Equity Shares of ₹1 each	300.00	300.00
<b>Total</b>	<b>300.00</b>	<b>300.00</b>
<b>Issued, Subscribed and Fully Paid-up :</b>		
13,57,80,653 (Previous year 13,57,80,653) Equity Shares of ₹1 each, fully paid up	135.78	135.78
<b>Total</b>	<b>135.78</b>	<b>135.78</b>

### 11.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year:

Particulars	No. of equity shares	(₹. In Million)
Shares outstanding at March 31, 2019	13,75,19,783	137.52
Less : Buy back of shares	(17,39,130)	(1.74)
Shares outstanding at March 31, 2020	13,57,80,653	135.78
Issued during the year	-	-
Shares outstanding at March 31, 2021	13,57,80,653	135.78

### 11.2 Aggregate number and class of shares allotted as fully paid up bonus shares during the period of 5 years immediately preceding the balance sheet date:

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
<b>Equity shares</b>					
Bonus shares issued during the year	-	-	-	-	13,61,25,000

### 11.3 Details of shareholders holding more than 5 % equity shares in the Parent company as at the end of the year

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of equity shares held	% of Shareholding	No. of equity shares held	% of Shareholding
1. Amit Indubhushan Bakshi	5,46,98,423	40.28	5,46,98,423	40.28
2. Rakeshbhai Bhikhabhai Shah	1,56,84,407	11.55	1,56,84,407	11.55
3. Bhikhalal Chimanlal Shah	88,92,430	6.55	88,92,430	6.55
4. Emerald Investments Limited	74,77,132	5.51	74,75,780	5.51

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

## 11.4 Terms / Rights attached to the equity shares:

The Parent Company has only one class of equity shares having a par value of ₹1 per share. Each holder of equity share is eligible for one vote per share. The final dividend, if any, proposed by the Board of Directors of the Parent Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential amounts, in proportion to their shareholding.

## 11.5 Share options granted under the Parent Company's employee share option plan:

The Parent Company recognizes compensation expense relating to share-based payments in net profit using fair value in accordance with Ind AS 102, share based payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance multiple awards with a corresponding increase to share options outstanding account.

## 11.6 Buyback of equity shares:

As on January 22, 2020, the Parent Company concluded buy-back of 17,39,130 Equity Shares at a price of ₹ 575 per equity share from eligible shareholders of the Company on a proportionate basis through Tender Offer route in accordance with the provisions of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 and the Companies Act, 2013 and rules made thereunder, as approved by the Board of Directors at their meeting held on July 03, 2019.

## 11.7 Dividend:

The Board of Directors of the Company has declared and paid an interim dividend of ₹ 5.50/- (at the rate of 550 Percent) per equity share of the face value of ₹ 1/- each for the financial year 2020-21 at its meeting held on August 4, 2020.

## Note 12: Other Equity

	(₹. In Million)	
Particulars	As at March 31, 2021	As at March 31, 2020
Retained Earnings	15,503.13	12,713.46
Capital Reserve on amalgamation of subsidiaries	83.82	83.82
Share based payment reserve	39.74	28.54
Capital redemption reserve	1.74	1.74
<b>Total</b>	<b>15,628.43</b>	<b>12,827.56</b>

### Nature and purpose of reserves:

#### Retained Earnings:

Retained Earnings are the profits that the group has earned till date less any transfer to general reserve, dividends and other distributions to shareholder.

#### Share based payment reserve:

The fair value of equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Share based payment reserve.

#### Capital redemption reserve:

The Parent Company is required to create capital redemption reserve in accordance with provisions of the Companies Act 2013 for buy back of shares.

#### Capital reserve on Amalgamation of subsidiaries:

Capital reserve on amalgamation of subsidiaries is created pursuant to a scheme of amalgamation and shall not be considered to be a reserve created by company.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

for the year ended March 31, 2021

**Note 13: Borrowings**

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
Unsecured loan from Others	0.10	-
<b>Total</b>	<b>0.10</b>	<b>-</b>

**Note 14: Other financial liabilities**

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-Current</b>		
Trade deposits	36.19	54.38
Lease liability	44.47	61.44
	<b>80.66</b>	<b>115.82</b>
<b>Current</b>		
Trade deposits	0.80	1.30
Book overdraft*	93.04	8.41
Dividend Payable	0.45	0.96
Payable towards purchase of fixed assets	4.22	5.53
Lease liability	23.20	59.99
	<b>121.71</b>	<b>76.19</b>
<b>Total</b>	<b>202.37</b>	<b>192.01</b>

\* Mutual funds are marked as lien against OD Limit (Refer note 3).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

### Note 15: Provisions

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Long Term</b>		
Provision for employee benefits (Refer note-28)		
Compensated absences	63.66	52.94
Gratuity	7.66	4.27
Provision for sales returns (Refer note below)	241.98	202.56
	<b>313.30</b>	<b>259.77</b>
<b>Short Term</b>		
Provision for employee benefits (Refer note-28)		
Compensated absences	36.02	29.04
Gratuity	15.99	80.74
Provision for sales returns (Refer note below)	222.86	192.19
	<b>274.87</b>	<b>301.97</b>
<b>Total</b>	<b>588.17</b>	<b>561.74</b>

#### Provision for sales returns:

The Group, as a trade practice, accepts returns from market which are primarily in the nature of expired or near expiry products. Provision is made for such returns on the basis of historical experience, market conditions and specific contractual terms.

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Provision	394.75	282.01
Add : Provision during the year	251.96	210.00
Less : Utilisation during the year	181.87	97.26
Closing Provision	464.84	394.75
Long Term	241.98	202.56
Short Term	222.86	192.19
<b>Total</b>	<b>464.84</b>	<b>394.75</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

## Note 16: Other liabilities

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Deferred Capital Subsidy Non current*	24.92	31.07
	<b>24.92</b>	<b>31.07</b>
<b>Current</b>		
Statutory liabilities	132.46	162.08
Advances from customers	28.93	24.84
Deferred Capital Subsidy Current*	7.57	11.33
	<b>168.96</b>	<b>198.25</b>
<b>Total</b>	<b>193.88</b>	<b>229.32</b>

\*Capital subsidy represents Central Capital Investment Subsidy received during the financial year 2018-19 under the North East Industrial & Investment Promotion Policy (NEIIPP)

## Note 17: Trade payables

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Due to micro and small enterprises (refer note-34)	72.75	33.08
Due to others	953.41	967.43
<b>Total</b>	<b>1,026.16</b>	<b>1,000.51</b>

## Note 18: Revenue from operations

(₹. In Million)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Sale of products	11,926.44	10,581.83
<b>Other operating income</b>		
Goods And Services Tax refund	189.76	153.96
Others	2.43	4.80
	<b>192.19</b>	<b>158.76</b>
<b>Total</b>	<b>12,118.63</b>	<b>10,740.59</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended March 31, 2021

Revenue as per contracted price, net of returns	12,178.40	10,791.83
Less : Provision for sales return	251.96	210.00
Revenue from contracts with customers	11,926.44	10,581.83

Contract assets are initially recognised for revenue from sale of goods. Contract liabilities are on account of the upfront revenue received from customer for which performance obligation has not yet been completed.

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. Payment terms with customers vary depending upon the contractual terms of each contract.

#### Note 19: Other income

Particulars	(₹. In Million)	
	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Interest income	22.85	16.06
Dividend income	-	0.03
Net gain on sale of investments	28.55	92.40
Net gain on investments carried at fair value through profit or loss	21.22	(6.18)
Deferred Capital Subsidy (Refer note 19.1)	9.91	15.03
Miscellaneous income (Refer note 19.2)	4.55	36.62
<b>Total</b>	<b>87.08</b>	<b>153.96</b>

#### Note 19.1 Deferred Capital Subsidy

Capital subsidy represents Central Capital Investment Subsidy received during the financial year 2018-19 under North East Industrial & Investment Promotion Policy (NEIIPP).

#### Note 20: Cost of material consumed

Particulars	(₹. In Million)	
	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>Raw materials and packing materials</b>		
Opening stock	300.47	217.48
Add: Purchases during the year	862.43	851.80
Less: Closing stock	(168.64)	(300.47)
<b>Total</b>	<b>994.26</b>	<b>768.81</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

### Note 21: Changes in inventories of Finished goods, Work-in-progress and Stock-in-trade

(₹. In Million)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>Inventories at the beginning of the year</b>		
Stock-in-trade	162.79	406.25
Finished goods	195.85	179.52
Work-in-progress	32.77	19.71
	<b>391.41</b>	<b>605.48</b>
<b>Inventories at the end of the year</b>		
Stock-in-trade	494.57	162.79
Finished goods	252.16	195.85
Work-in-progress	26.42	32.77
	<b>773.15</b>	<b>391.41</b>
<b>Net (Increase) / decrease in stocks</b>	<b>(381.74)</b>	<b>214.07</b>

### Note 22: Employee benefits expenses

(₹. In Million)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Salaries, wages and bonus	2,028.30	1,860.26
Contribution to provident and other funds	139.10	108.87
Share based payments to employees	11.20	16.61
Staff welfare expenses	114.44	71.19
<b>Total</b>	<b>2,293.04</b>	<b>2,056.93</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

### Note 23: Other expenses

	(₹. In Million)	
Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Power and fuel	39.53	46.16
Consumption of stores and spares (Indigenous)	36.03	72.05
Labour and security	22.73	19.14
Testing charges	5.41	6.43
Rent (Refer note 32)	21.08	77.53
Formulation Development Expense	50.92	41.96
Freight and forwarding	198.38	155.35
Commission	206.16	172.56
Advertising, publicity and awareness	125.05	182.38
Repairs and maintenance	36.67	37.35
Selling and distribution	757.38	899.63
Representative Allowance & Incentives	436.91	410.45
Travelling and conveyance	234.57	414.92
Communication	10.87	10.18
Legal and professional	402.86	330.18
Rates and taxes	57.38	65.34
Insurance	11.46	8.31
Payments to auditors (Refer note below)	5.16	4.24
Loss on property plant and equipment sold/written off	0.18	37.36
Corporate social responsibility expenditure	83.50	54.83
Donations	0.38	0.25
Bank charges	1.73	1.35
Provision for doubtful debt / other financial assets	65.10	18.78
Miscellaneous	327.73	217.89
<b>Total</b>	<b>3,137.17</b>	<b>3,284.61</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(₹. In Million)

Payment to auditors (Excluding GST)	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Statutory Audit fee	3.57	2.91
Reimbursement of expenses	0.09	0.02
Certification fees and other services	1.50	1.31
<b>Grand Total</b>	<b>5.16</b>	<b>4.24</b>
Certification fees and other services charged, debited to other than profit and loss account	-	0.75
<b>Grand Total</b>	<b>5.16</b>	<b>4.99</b>

### Note 24: Finance cost

(₹. In Million)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Interest expense	10.35	1.74
Interest on financial liabilities at amortised cost	1.15	4.58
Interest on Lease liability	6.52	14.66
Interest on Payment of Taxes	-	0.64
<b>Total</b>	<b>18.02</b>	<b>21.62</b>

### Note 25: Earnings per share

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Net profit after tax for the year (₹ in million)	3,551.35	2,964.97
Weighted average number of equity shares outstanding for basic earning per share	13,57,80,653	13,71,87,163
Add: Dilutive share-Employees stock options outstanding	1,02,609	1,15,728
Weighted average number of equity shares outstanding for diluted earning per share	13,58,83,262	13,73,02,891
Nominal value per equity share (in ₹)	1.00	1.00
Basic earnings per share (in ₹)	26.16	21.61
Diluted earnings per share (in ₹)	26.14	21.59

### Note 26: Impact of COVID on Business and Financial statements

The Group continues to observe the Covid-19 impact on its business. This covers the monitoring of its impact on its supply-chain and customers. Conclusions on significant accounting judgements and estimates have been drawn after exercising requisite due care. Such judgements and estimates include, inter-alia, recoverability of receivables, assessment of impairment of goodwill and intangibles, investments and inventory, based on the information available as of the date of preparing the Group's financial statements for the year ended March 31, 2021.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

## Note 27: Acquisition of Investment in a Subsidiary

### Note 27.1: Amalgamation and Demerger of subsidiary companies

During the Financial Year 2020-21, pursuant to the composite scheme of arrangement under section 230 to 232 of the Companies Act, 2013, Pain division of Kinedex Healthcare Private Limited is demerged and subsequently merged into Aprica Healthcare Limited (Formerly known as UTH Healthcare Limited) with effect from Appointed date April 1, 2019 and Eris Therapeutics Private Limited and Aprica Healthcare Limited are merged into Aprica Healthcare Limited (Formerly known as UTH Healthcare Limited) with effect from Appointed date January 1, 2020.

### Note 27.2: Acquisition of investment in subsidiary

During the Financial Year 2019-20, The Parent Company has acquired remaining 17.81% shareholding on April 06, 2019 for a consideration of ₹ 213.73 million in Kinedex Healthcare Private Limited making it a wholly owned subsidiary.

## Note 28: Employee Benefit Plans

### A) Defined contribution plans:

The Group 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 Group recognized ₹ 82.62 million (Previous Year ₹ 63.05 million) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the group are at rates specified in the rules of the scheme.

The Group made contributions towards Employees State Insurance Scheme operated by the ESIC Corporation. The Group recognized ₹ 5.62 million (Previous year ₹ 9.16 million) for ESIC contributions in the Statement of Profit & Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the scheme.

### B) Defined benefit plans:

Actuarial Valuation for Compensated Absences is done as at the year end and the provision is made as per Group rules with corresponding charge to the Statement of Profit and Loss amounting to ₹ 24.79 million (Previous Year ₹ 26.37 million) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

The Parent 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 4.6 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.

The following table sets out the status of the gratuity plan as required under IND AS-19 and the amounts recognized in the Group's financial statements as at March 31, 2021:

Particulars	(₹. In Million)	
	As at March 31, 2021	As at March 31, 2020
<b>(a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation:</b>		
<b>Obligations at beginning of the year</b>	<b>132.59</b>	<b>105.85</b>
Current Service Cost	21.95	18.31
Transfer in/(out) obligation	1.61	-
Past Service Cost	-	(4.03)
Interest Cost	6.17	6.07
Actuarial (gain)/loss on obligation		
- Due to change in Financial Assumptions	0.98	4.39
- Due to change in Demographic Assumptions	-	3.14
- Due to experience adjustments	21.49	9.32
Benefits paid	(13.20)	(10.46)
<b>Obligations at the end of the year</b>	<b>171.59</b>	<b>132.59</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(b) Reconciliation of opening and closing balances of the fair value of plan assets:</b>		
Fair value of plan assets at the beginning of the year	47.58	54.74
Interest Income	2.03	3.60
Expected returns on plan assets	(0.01)	(1.80)
Employer Contributions	109.90	1.50
Benefits paid	(11.58)	(10.46)
<b>Fair Value of plan assets at the end of the year</b>	<b>147.92</b>	<b>47.58</b>

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(c) Reconciliation of Present Value of Obligation and the fair value of plan assets :</b>		
Present value of the defined benefit obligation at the end of the year	171.59	132.59
Less : Fair value of plan assets	(147.92)	(47.58)
Funded status (deficit)	23.67	85.01
<b>Net liability recognised in the financial statement</b>	<b>23.67</b>	<b>85.01</b>
<b>(d) Expense recognised in the statement of profit and loss for the year :</b>		
Service Cost	21.95	14.28
Interest Cost	4.14	2.47
<b>Expense charged to the statement of profit and loss</b>	<b>26.09</b>	<b>16.75</b>
<b>(e) Expense recognised in other comprehensive income for the year :</b>		
Return on plan assets excluding amounts included in net interest expense	0.01	1.80
Actuarial (gain)/loss		
- Due to change in Financial Assumptions	0.98	4.39
- Due to change in Demographic Assumptions	-	3.14
- Due to experience adjustments	21.49	9.32
<b>Expense charged to other comprehensive income</b>	<b>22.48</b>	<b>18.65</b>

## Assumptions:

Discount rate	5.20% to 6.05%	5.45% to 6.25%
Estimated rate of return on plan assets	5.20% to 6.05%	5.45% to 6.25%
Annual increase in salary costs	5% to 6%	5% to 6%
Mortality Rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)
Retirement age	60 years	58 years

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Sensitivity Analysis:</b>		
<b>Impact on defined benefit obligation</b>		
Increase of 0.5% in discount rate	173.17	134.50
Decrease of 0.5% in discount rate	177.45	137.93
Increase of 0.5% in salary escalation rate	175.48	137.29
Decrease of 0.5% in salary escalation rate	171.60	137.11

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Expected future Cash outflows towards the plan are as follows :</b>		
Year 1	64.22	40.04
Year 2	35.45	29.49
Year 3	27.13	21.40
Year 4	19.98	16.32
Year 5	14.39	11.57
Year 6 to 10	28.12	22.56

### Investment details of plan assets:

Particulars	March 31, 2021 %	March 31, 2020 %
Insurer managed funds with Life Insurance Corporation of India	94%	82%
Bank Balance with Eris lifesciences limited employees group gratuity trust	6%	18%

### Notes:

- The plan assets which are managed by Insurance Company viz Life Insurance Corporation of India, details of those funds invested by the insurer are not available with company.
- 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.
- The expected contribution to be made by Group for gratuity during financial year ending March 31, 2022 is ₹ 13.49 million (previous year ₹ 80.10 million).

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

## Note 29: Fair Value Measurement

### (i) Financial assets and liabilities

The carrying value and fair value of financial instruments by category is as follows :

(₹. In Million)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Fair Value	Carrying Value	Fair Value	Carrying Value
<b>Financial assets:</b>				
<b>Amortised cost:</b>				
Trade receivables	1,404.88	1,404.88	1,568.84	1,568.84
Cash and cash equivalents	369.15	369.15	673.07	673.07
Other bank balances	13.61	13.61	0.19	0.19
Investment in tax free bonds	5.00	5.00	-	-
Loans	82.85	82.85	53.22	53.22
Other Financial Asset	929.22	929.22	155.36	155.36
<b>Fair value through profit or loss:</b>				
Investment in mutual funds	2,903.25	2,903.25	747.81	747.81
Investment in equity instruments (other than investment in subsidiaries)	28.62	28.62	28.62	28.62
Investment in tax free bonds	3.57	3.57	3.42	3.42
<b>Total</b>	<b>5,740.15</b>	<b>5,740.15</b>	<b>3,230.53</b>	<b>3,230.53</b>
<b>Financial Liabilities:</b>				
<b>Amortised cost:</b>				
Borrowings	0.10	0.10	-	-
Trade payables	1,026.16	1,026.16	1,000.51	1,000.51
Lease Liabilities	67.67	67.67	121.43	121.43
Other financial liabilities	134.70	134.70	70.58	70.58
<b>Total</b>	<b>1,228.63</b>	<b>1,228.63</b>	<b>1,192.52</b>	<b>1,192.52</b>

### (ii) Fair value hierarchy:

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(₹. In Million)

As at March 31, 2021	Level 1	Level 2	Level 3	Total
<b>Financial assets :</b>				
Mutual funds	2,903.25	-	-	2,903.25
Equity instruments	-	-	28.62	28.62
Tax free bonds	3.57	-	-	3.57
<b>Total</b>	<b>2,906.82</b>	<b>-</b>	<b>28.62</b>	<b>2,935.44</b>
<b>Financial Liabilities :</b>				
	-	-	-	-
<b>Net Assets/(Liabilities)</b>	<b>2,906.82</b>	<b>-</b>	<b>28.62</b>	<b>2,935.44</b>

(₹. In Million)

As at March 31, 2020	Level 1	Level 2	Level 3	Total
<b>Financial assets :</b>				
Mutual funds	747.81	-	-	747.81
Equity instruments	-	-	28.62	28.62
Tax free bonds	3.42	-	-	3.42
<b>Total</b>	<b>751.23</b>	<b>-</b>	<b>28.62</b>	<b>779.85</b>
<b>Financial Liabilities :</b>				
	-	-	-	-
<b>Net Assets/(Liabilities)</b>	<b>751.23</b>	<b>-</b>	<b>28.62</b>	<b>779.85</b>

### Determination of fair values:

The following are the basis of assumptions used to estimate 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.

### Equity investments:

Equity investments traded in an active market determined by reference to their quoted market prices. Other equity investments where quoted prices are not available, fair values are determined by reference to the current market value of net assets or relied upon on valuation report of an valuer.

### (iii) Financial risk management:

The Group activities are exposed to variety of financial risks. These risks include market risk, credit risks and liquidity risk. The Group's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Group 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 is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. The Group is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion. Market risk comprises of three type of risks namely interest rate risk, currency risk and other price risk such as equity price risk. Group is not exposed to currency risk and other price risk whereas the exposure to interest risk is given below :

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended March 31, 2021

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rate.

The Group invests in mutual fund schemes of leading fund houses and tax free bonds. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. Investments in mutual funds and tax free bonds amounts to ₹ 2,906.82 million and ₹ 751.23 million as at March 31, 2021 and March 31, 2020 respectively.

### (b) Credit Risk

The Group is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Group. Credit risk arises majorly from cash and cash equivalents, deposits with banks, Investments as well as credit exposures to customers including outstanding receivables.

#### Credit Risk Management

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations, and arises principally from the Group receivables from customers.

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this risk, the Group periodically assesses the financial reliability of customers, taking into account their financial position, past experience and other factors. The Group manages credit risk through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue.

#### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 5,740.15 million and ₹ 3,230.53 million as at March 31, 2021 and March 31, 2020 respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, other financial assets and investments excluding equity investments in subsidiaries, and these financial assets are of good credit quality including those that are past due.

### (c) Liquidity Risk

Liquidity Risk is the risk that the Group will not be able to meet its financial obligation as they fall due. Liquidity risk arises because of the possibility that the group could be required to pay its liabilities earlier than expected or encounters difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Group approach to managing liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due. The Group generates cash flows from operations to meet its financial obligations and manages liquidity risk by maintaining sufficient cash and bank balance and availability of funding through adequate amount of committed credit facilities.

Contractual maturities of significant financial liabilities are mentioned below :

	(₹. In Million)		
As at March 31, 2021	Less than 1 year	1-3 years	More than 3 years
Borrowings	0.10	-	-
Trade payables	1,026.16	-	-
Lease Liabilities	26.77	30.11	20.25
Other financial liabilities	98.51	-	36.19
	<b>1,151.54</b>	<b>30.11</b>	<b>56.44</b>

	(₹. In Million)		
As at March 31, 2020	Less than 1 year	1-3 years	More than 3 years
Borrowings	-	-	-
Trade payables	1,000.51	-	-
Lease Liabilities	67.50	39.34	33.09
Other financial liabilities	16.20	-	54.38
	<b>1,084.21</b>	<b>39.34</b>	<b>87.47</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(iv) **Capital management**

The capital structure of the Group consists of equity, debt, cash and cash equivalents. The Group objective for capital management is to maintain the capital structure which will support the Group strategy to maximize shareholder's value, safeguarding the business continuity and help in supporting the growth of the Group.

**Note 30: Related Party Disclosures**

A) List of Related Parties and description of their relationship are as follows:

Sr. No.	Nature of Relationship	Name of the entity
<b>1</b>	<b>Key Managerial Personnel</b>	
	Managing Director	Mr. Amit Bakshi
	Whole time director (Upto May 31, 2020)	Mr. Himanshu Shah
	Whole time director	Mr. Inderjeet Singh Negi
	Whole time director (From August 04, 2020)	Mr. Kaushal Shah
	Whole time director (From December 20, 2020)	Mr. Krishnakumar Vaidyanathan
	Independent Director (From December 19, 2020)	Mr. Rajeev Dalal
	Independent Director (From January 05, 2021)	Ms. Kalpana Vasantraï Unadkat
	Independent Director	Mrs. Vijaya Sampath
	Independent Director (Upto September 11, 2020)	Dr. Kirit Shelat
	Independent Director	Mr. Prashant Gupta
	Chief Financial Officer	Mr. Sachin Shah
	Company Secretary	Mr. Milind Talegaonkar
<b>2</b>	<b>Close family member of Key Management Personnel</b>	
	Brother of Mr. Himanshu Shah (Whole time director) (Upto May 31, 2020)	Mr. Saurabh Shah
<b>3</b>	<b>Other Related parties</b>	
	Post-employment benefit plan	Eris Lifesciences Private Limited Employees Group Gratuity Trust Fund
	Entity controlled by Key Managerial Personnel	Horizon Blue Ventures LLP

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

B) Total Transactions with related parties are as follows:

(₹. In Million)

Particulars	Key Management Personnel		Close family member of Key Management Personnel		Other Related parties		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>(A) Nature of transactions</b>								
Remuneration	93.72	86.70	-	-	-	-	93.72	86.70
Sitting fees	3.00	2.85	-	-	-	-	3.00	2.85
Reimbursement of expense incurred	1.55	-					1.55	-
Commission	2.69						2.69	-
Salary expense	-	-	0.65	4.24	-	-	0.65	4.24
Contribution to Post-employment benefit plan	-	-	-	-	41.88	38.88	41.88	38.88
<b>(B) Balances at the end of the year</b>	<b>As at March 31,2021</b>	<b>As at March 31,2020</b>	<b>As at March 31,2021</b>	<b>As at March 31,2020</b>	<b>As at March 31,2021</b>	<b>As at March 31,2020</b>	<b>As at March 31,2021</b>	<b>As at March 31,2020</b>
Trade Payable	5.40	4.03	-	0.28	-	-	5.40	4.31

C) Transactions with related parties are as follows:

(₹. In Million)

Sr. No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>1</b>	<b>Key Management Personnel compensation</b>		
	Remuneration*	93.72	86.70
	Sitting fees	3.00	2.85
	Reimbursement of expense	1.55	-
	Commission	2.69	-
<b>2</b>	<b>Close family member of Key Management Personnel compensation</b>		
	Salary expense	0.65	4.24
<b>3</b>	<b>Other Related parties</b>		
	Contribution to Post-employment benefit plan	41.88	38.88

\* Key Managerial Personnel who are under the employment of the Company are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended March 31, 2021

#### D) Balances with related parties at end of the year:

(₹. In Million)

Sr. No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
1	<b>Key Management Personnel compensation</b>		
	Trade payable	5.40	4.03
2	<b>Close family member of Key Management Personnel compensation</b>		
	Trade payable	-	0.28

#### Note 31: Contingent Liability and Capital Commitment:

(₹. In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Claims against the Group not acknowledged as debts:</b>		
Notices relating to DPCO Matters (refer note below)	164.62	155.72
Notices regarding Income-tax matters and from sales tax department	13.68	13.68
Others	17.74	1.55

**Note:** The Parent Company has received notices from NPPA (National Pharmaceutical Pricing Authority), under DPCO (Drug Price Control Order), 2013 during earlier year. Management does not expect any cash outflow from this matter.

Estimated amount of contracts remaining unexecuted on capital account (net of advances) not provided for ₹28.92 million (Previous year Nil).

#### Note 32: Leases Rent Ind AS 116:

Effective from April 01, 2019, the Group has adopted Ind AS 116 "Leases" and applied it to all lease contracts existing on April 01, 2019 using modified retrospective method. Accordingly, comparatives for previous period / year have not been retrospectively adjusted. The adoption of standard has resulted into creation of right of use lease asset by ₹ 196.78 million and lease liability by ₹ 209.37 million as at April 1, 2019. Also, the following effects have been given.

(₹. In Million)

Changes [Increase/(decrease)]	For Year ended March 31, 2021	For Year ended March 31, 2020
Depreciation and Amortisation	38.12	135.33
Finance costs on lease liability	7.93	14.66
Lease rent cost	(67.37)	(100.67)
Profit after tax	13.68	(32.40)
Cash Flow From Operating Activities	67.37	100.67
Cash Flow From Financing Activities	(67.37)	(100.67)

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

## Note 33: ESOP

The Parent Company has introduced 'Eris Lifesciences Employee Stock Option Plan 2017' ("ESOP 2017"/ "Plan") through the resolution passed by the Board of Directors on February 02, 2017 and the same was approved by the shareholders at the extra ordinary general meeting held on February 03, 2017 and subsequently in the eleventh annual general meeting held on September 29, 2017 shareholders ratified the same. Under the scheme, 391,599 (Three lakhs ninety one thousand five hundred ninety nine only) equity shares have been granted to eligible employees of the company and each option (after it is vested) is exercisable for one equity share having face value of ₹ 1 each for an exercise price of ₹ 451.04. Vesting of the options shall take place over a maximum period of 5 years with a minimum vesting period of 1 year from the date of grant i.e. April 12, 2017. The exercise period would be a maximum of 5 years from the date of vesting of options. 98,107 and 49,886 options have lapsed till March 31, 2021 and March 31, 2020 respectively.

As per the Scheme, the Nomination and Remuneration Committee grants the options to the employees deemed eligible.

### Pricing Formula

Discount to fair market value of the Equity Shares as on the date of grant.

### Method used for accounting of share-based payment plans

The employee compensation cost has been calculated using black Scholes Option Pricing Model. The assumptions are as stated in the below table. The employee compensation cost as per fair value method is ₹ 11.20 million (Previous year ₹ 16.61 million).

Employee stock options details as on the balance sheet date are as follows:

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:	3,21,930	451.04	3,36,895	451.04
Granted during the year	-	-	-	-
Vested during the year	68,176	451.04	71,169	451.04
Exercised during the year	-	451.04	-	451.04
Lapsed during the year	48,221	451.04	14,965	451.04
Options outstanding at the end of the year	2,73,709	451.04	3,21,930	451.04
Options available for grant	49,886	-	23,281	-
Options exercisable at the end of the year	1,56,977	-	1,17,401	-

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Grant date	April 12, 2017
	Weighted average
Stock Price (₹)	601.38
Volatility	20.56%
Risk-free Rate	6.91%
Exercise Price (₹)	451.00
Time To Maturity (In years)	5.50
Dividend yield	1.00%
<b>Option Fair Value (₹)</b>	<b>268.77</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

### Note 34: Micro Small & Medium Enterprises

Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act) and Schedule III of the Companies Act, 2013 for the year ended March 31, 2021. This information has been determined to the extent such parties have been identified on the basis of information available with the Group and relied upon by auditors.

(₹. In Million)

Particulars	March 31, 2021	March 31, 2020
a) The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due remaining unpaid	72.75	33.08
Interest amount due remaining unpaid	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the MSME Act along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

### Note 35: Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group chief operating decision maker is the managing director and the group has only one reportable business segment i.e. 'pharmaceuticals'.

### Note 36: Regrouping

Previous year figures have been regrouped wherever necessary, so as to make them comparable with those of the current year.

### Note 37: Additional information as required by Paragraph 2 of the general instructions for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Details of entities consolidated

Name	Nature	Country of Incorporation	Proportion of Ownership Interest as on March 31, 2021	Proportion of Ownership Interest as on March 31, 2020
Kinedex Healthcare Private Limited	Subsidiary	India	100.00%	100.00%
Aprica Healthcare Limited (Formerly known as UTH Healthcare Limited)	Subsidiary	India	100.00%	100.00%
Eris Pharmaceuticals Private Limited*	Subsidiary	India	76.00%	0.00%
Eris Healthcare Private Limited (Formerly known as Strides Healthcare Private Limited)	Subsidiary	India	100.00%	100.00%

\*Became subsidiary of Eris Healthcare Private Limited w.e.f. June 2, 2020

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

Nature of Entity	Net Assets i.e.- Total Assets minus total Liabilities (As at 31-03-2021)		"Share in Profit or (Loss) 2020-21"		Share in Other Comprehensive Income (OCI) 2020-21		Share in Total Comprehensive Income (TCI) 2020-21	
	As % of consolidated net Assets	₹. In Million	As % of consolidated profit or loss	₹. In Million	As % of consolidated OCI	₹. In Million	As % of consolidated TCI	₹. In Million
<b>Parent</b>								
Eris Lifesciences Limited	99.9%	15,754.67	98.7%	3,506.05	86.0%	(12.80)	98.8%	3,493.25
<b>Subsidiaries</b>								
Kinedex Healthcare Private Limited	0.1%	15.26	0.1%	3.34	0.0%	-	0.1%	3.34
Aprica Healthcare Limited (Formerly known as UTH Healthcare Limited)	1.3%	205.30	2.3%	82.17	14.1%	(2.10)	2.3%	80.07
Eris Pharmaceuticals Private Limited	0.0%	0.05	0.0%	(0.05)	0.0%	-	0.0%	(0.05)
Eris Healthcare Private Limited (Formerly known as Strides Healthcare Private Limited)	3.4%	542.59	-0.7%	(24.27)	-0.1%	0.01	-0.7%	(24.26)
Non controlling Interest in subsidiaries	0.0%	0.02	0.0%	-	0.0%	-	0.0%	-
Intercompany Elimination and Consolidation Adjustments	-4.8%	(753.69)	-0.4%	(15.89)	0.0%	-	-0.4%	(15.89)
<b>Total</b>	<b>100.0%</b>	<b>15,764.21</b>	<b>100.0%</b>	<b>3,551.35</b>	<b>100.0%</b>	<b>(14.89)</b>	<b>100.0%</b>	<b>3,536.46</b>



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

Nature of Entity	Net Assets i.e.- Total Assets minus total Liabilities (As at 31-03-2020)		Share in Profit or (Loss) 2019-20		Share in Other Comprehensive Income (OCI) 2019-20		Share in Total Comprehensive Income (TCI) 2019-20	
	As % of consolidated net Assets	₹. In Million	As % of consolidated profit or loss	₹. In Million	As % of consolidated OCI	₹. In Million	As % of consolidated TCI	₹. In Million
<b>Parent</b>								
Eris Lifesciences Limited	100.3%	12,997.01	98.2%	2912.74	96.1%	(11.71)	98.2%	2,901.03
<b>Subsidiaries</b>								
Eris Therapeutics Private Limited	0.0%	-	0.0%	(0.01)	0.0%	-	0.0%	(0.01)
Aprica Healthcare Private Limited	0.0%	-	2.1%	60.88	2.4%	(0.29)	2.1%	60.59
Kinedex Healthcare Private Limited	0.1%	11.92	0.1%	4.37	0.0%	-	0.1%	4.37
Aprica Healthcare Limited (Formerly known as UTH Healthcare Limited)	1.4%	180.23	0.8%	22.40	1.5%	(0.18)	0.8%	22.22
Eris Healthcare Private Limited (Formerly known as Strides Healthcare Private Limited)	4.1%	536.85	-0.3%	(7.84)	0.0%	-	-0.3%	(7.84)
Non controlling Interest in subsidiaries	0.0%	-	0.0%	0.10	0.0%	-	0.0%	0.10
Intercompany Elimination and Consolidation Adjustments	-5.9%	(762.67)	-0.9%	(27.57)	0.0%	-	-0.9%	(27.57)
<b>Total</b>	<b>100.0%</b>	<b>12,963.34</b>	<b>100.0%</b>	<b>2,965.07</b>	<b>100.0%</b>	<b>(12.18)</b>	<b>100.0%</b>	<b>2,952.89</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

for the year ended March 31, 2021

**Note 38: Items included in Financial Activities**

	As at March 31,2020	Cash Flows	Net Additions	Other Changes	As at March 31, 2021
Lease Liability	121.43	(67.37)	6.67	6.94	67.67

	As at March 31,2019	Cash Flows	Net Additions	Other Changes	As at March 31, 2020
Lease Liability	-	(100.67)	195.61	26.49	121.43
Borrowings	1,764.23	(1,755.08)	-	(9.15)	-

For and on behalf of the Board of Directors

**Amit I. Bakshi**  
 Managing Director  
 DIN: 01250925

**Inderjeet Singh Negi**  
 Whole Time Director  
 DIN: 01255388

**Sachin Shah**  
 Chief Financial Officer  
 Place: Ahmedabad  
 Date: May 13, 2021

**Milind Talegaonkar**  
 Company Secretary  
 Membership No-A26493



## ERIS LIFESCIENCES LIMITED

Registered Office: 8th Floor, Commerce House IV, Prahladnagar, 100 Feet Road, Ahmedabad – 380015

Email: [complianceofficer@erislifesciences.com](mailto:complianceofficer@erislifesciences.com) Website: [www.eris.co.in](http://www.eris.co.in)

Tel: +91 79 3045 1000 Fax: +91 79 3017 9404

CIN: L24232GJ2007PLC049867

### NOTICE

**NOTICE IS HEREBY given that the fifteenth Annual General Meeting (AGM) of the Members of Eris Lifesciences Limited will be held on Wednesday, September 01, 2021, at 11:00 A.M., through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”), to transact the following business:**

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements including Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021 and the reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kaushal Shah, (DIN: 01229038) who retires by rotation and, being eligible, offers himself for re-appointment.
3. To re-appoint M/s. Deloitte Haskins & Sells LLP, Chartered Accountants as the Statutory Auditor of the Company for four years, i.e. FY 2021-22 to FY 2024-25 and in this regard, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 139, 142 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W100018) be and is hereby re-appointed as the Statutory Auditors of the Company for four years to hold office from the conclusion of the Fifteenth Annual General Meeting till the conclusion of the Nineteenth Annual General Meeting of the Company, at such remuneration as may be decided by the Board of Directors of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and/or any Committee thereof be and is hereby authorized to do all such acts, deeds and things, and to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

#### SPECIAL BUSINESS:

4. To ratify the remuneration of Cost Auditors for the Financial Year ending March 31, 2022 and in this regard, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** subject to the provisions of section 148 and other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactments thereof), the Company hereby ratifies the remuneration to be paid as set out in the Explanatory Statement annexed to the Notice convening the fifteenth annual general meeting to M/s. Kiran J Mehta & Co. (FRN-000025), Cost Accountants, Ahmedabad, appointed as the Cost Auditors by the Board of Directors to conduct the audit of cost records maintained by the Company for the Financial Year 2021-22.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and/or any Committee thereof be and is hereby authorized to do all such acts, deeds and things, and to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

5. To appoint Mr. Rajeev Dalal as an Independent Director of the Company and in this regard, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Mr. Rajeev Dalal (DIN 00222650), who was appointed as an additional and independent director, pursuant to Sections 149, 152 and 161 and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and whose term of office expires at this Annual General Meeting and who is eligible for appointment as an Independent Director and in respect of whom the Company has received recommendation from the Nomination and Remuneration Committee proposing his candidature for office of Director, be and is hereby appointed as an independent director, not liable to retire by rotation, for a period of five years up to December 18, 2025.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and/or any Committee thereof be and is hereby authorized to do all such acts, deeds and things, and to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

6. To appoint Ms. Kalpana Unadkat as an Independent Director of the Company and in this regard, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Ms. Kalpana Unadkat (DIN 02490816), who was appointed as an additional and independent director, pursuant to Sections 149, 152 and 161 and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and whose term of office expires at this Annual General Meeting and who is eligible for appointment as an Independent Director and in respect of

whom the Company has received recommendation from the Nomination and Remuneration Committee proposing her candidature for office of Director, be and is hereby appointed as an independent director, not liable to retire by rotation, for a period of five years up to January 04, 2026.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and/or any Committee thereof be and is hereby authorized to do all such acts, deeds and things, and to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

7. To re-appoint Mrs. Vijaya Sampath as an Independent Director of the Company and in this regard, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mrs. Vijaya Sampath (DIN: 00641110) who was appointed as an Independent Director of the Company at the extra ordinary general meeting held on February 03, 2017 and holds office as an independent director up to February 02, 2022 and who is eligible for re-appointment and who meets the criteria for Independence as provided under section 149 (6) of the Act along with rules framed thereunder and Regulation 16 (1) (b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a recommendation from the Nomination and Remuneration Committee proposing her candidature for office of Director be and is hereby re-appointed as an independent director, not liable to retire by rotation, for a second term of five years with effect from February 03, 2022 up to February 02, 2027.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and/or any Committee thereof be and is hereby authorized to do all such acts, deeds and things, and to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

8. To re-appoint Mr. Amit Bakshi as the Managing Director of the Company and in this regard, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (“Amended Listing Regulations”) along with the provisions of the Section 2(51), 203, 196, 197 and other relevant provisions of the Companies Act, 2013 read with schedule V of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr. Amit Bakshi (DIN: 01250925) as the Managing Director of the Company, liable to retire by rotation, for a period of 5 (five) years commencing from 1st April, 2021 on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and/or any Committee thereof be and is hereby authorized to do all such acts, deeds and things, and to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

9. To appoint Mr. Krishnakumar Vaidyanathan as a Director of the Company and in this regard, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Mr. Krishnakumar Vaidyanathan (DIN: 08976508), who was appointed as an additional director, pursuant to Sections 152 and 161 and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and whose term of office expires at this Annual General Meeting and who is eligible for appointment as Director and in respect of whom the Company has received recommendation from the Nomination and Remuneration Committee proposing his candidature for office of Director, be and is hereby appointed as a director of the Company, liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and/or any Committee thereof be and is hereby authorized to do all such acts, deeds and things, and to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

10. To appoint Mr. Krishnakumar Vaidyanathan as the Whole-Time Director of the Company and in this regard, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to provisions of the Section 2(51), 203, 196, 197 and other relevant provisions of the Companies Act, 2013 read with schedule V of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to appoint Mr. Krishnakumar Vaidyanathan (DIN: 08976508) as the Whole-time Director (designated as Executive Director) of the Company, liable to retire by rotation, for a period of 5 (five) years commencing from the date of this Annual General Meeting on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and/or any Committee thereof be and is hereby authorized to do all such acts, deeds and things, and to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

11. To re-appoint Mr. Inderjeet Singh Negi as the Whole-Time Director of the Company and in this regard, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (“Amended Listing Regulations”) along with the provisions of the Section 2(51), 203, 196, 197 and other relevant provisions of the Companies Act, 2013 read with schedule V of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr. Inderjeet Singh Negi (DIN: 01255388) as the Whole-time Director

(designated as Executive Director) of the Company liable to retire by rotation, for a period of 5 (five) years commencing from 1st April, 2021 on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and/or any Committee thereof be and is hereby authorized to do all such acts, deeds and things, and to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

12. To consider and approve Eris Lifesciences Employees Stock Option Plan, 2021 (ESOP-2021) and if thought fit, to pass the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 62 and other applicable provisions of the Companies Act, 2013 (“the Act”), read with the Companies (Share Capital and Debentures) Rules, 2014 (“the Rules”) made thereunder (including any amendment, modification, variation or re-enactment thereof), the Memorandum and Articles of Association of the Company and pursuant to Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and subject to such other rules, regulations and guidelines as may be applicable from time to time and subject to the approval(s), consent(s), permission(s) and / or sanction(s) as may be required from appropriate regulatory authorities / institutions or bodies and subject to such terms and conditions as may be prescribed / imposed by such authorities while granting such approvals, consents, permissions and sanctions, and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the “Board”), which term shall be deemed to include any authorised Committee which the Board has constituted or would constitute to exercise its powers, including the powers conferred by this resolution, consent of the members of the Company be and is hereby accorded to introduce and implement “Eris Lifesciences Employee Stock Option Plan-2021” (“ESOP-2021”) scheme and to create, grant and offer upto 13,58,630 Employee Stock Options to the present and / or future permanent employees of the Company, at such price and on such terms and conditions and in such tranches as the Board of the Company may deem fit and in compliance with the provisions of the Act and the Rules and other applicable laws.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, changes in capital structure, merger and sale of division/undertaking or any other re-organization of capital structure of the Company, as the case may be, the number of Stock Options and/or the shares to be allotted upon exercise of Stock Options shall be reasonably adjusted in accordance with the provisions of the ESOP-2021 scheme, without affecting any other rights or obligations of the employees who have been granted Stock Options under the ESOP-2021 Scheme.

**RESOLVED FURTHER THAT** the Company shall confirm to the accounting policies prescribed from time to time under the SEBI (Share Based Employee Benefits) Regulations, 2014 (“SBEB”) Regulations and any other applicable laws and regulations to the extent relevant and applicable to ESOP-2021 scheme.

**RESOLVED FURTHER THAT** the equity shares to be issued as stated aforesaid shall rank pari-passu with all the existing equity shares of the Company for all purposes.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to the appointment of various intermediaries including Merchant Bankers, Registrars, Compliance Officer, and other Advisors, Valuers, Consultants or Representatives, being incidental to the effective implementation and administration of the ESOP-2021 Scheme, as it may, in its absolute discretion deem fit, for the aforesaid purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage and all the acts, deeds, matters and things done by the Board are hereby ratified, confirmed and approved, without being required to seek any further consent or approval of the members of the Company, and further to execute all such agreements, deeds, documents, writings etc. and to give such directions and / or instructions as may be necessary, proper or expedient to give effect to ESOP-2021 scheme including any modification, alteration, amendment, suspension, withdrawal or termination of ESOP-2021 Scheme and to take all such steps and do all such acts, deeds, things as may be incidental or ancillary thereto in compliance with the applicable laws.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary including authority to delegate all or any of the powers conferred herein, to any Committee of the Company, with power to such Committee to further delegate such powers to any executives / officers of the Company to give effect to this resolution.”

By order of the Board of Directors

Date: July 29, 2021  
Place: Ahmedabad

**Milind Talegaonkar**  
Company Secretary  
Mem. No. A26493

**NOTES:**

1. In view of the massive outbreak of COVID-19 pandemic and pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020, 22/2020, 33/2020, 39/2020, 02/2021 and 10/2021 dated April 8, 2020, April 13, 2020, May 5, 2020, June 15, 2020, September 28, 2020, December 31, 2020, January 13, 2021 and June 23, 2021, respectively, issued by Ministry of Corporate Affairs (“MCA Circulars”) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated May 12, 2020 and January 15, 2021, issued by Securities and Exchange Board of India (hereinafter collectively referred to as ‘SEBI Circulars’), the fifteenth AGM of the Company will be held through VC / OAVM. The facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
2. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company located at 8th Floor, Commerce House- IV, Prahladnagar, 100 ft road Ahmedabad GJ 380015.
3. The Company has engaged the services of National Securities Depository Limited (NSDL), as the authorized agency for conducting the e-AGM, providing remote e-voting and e-voting facility for/during the AGM of the Company. The instructions for participation by Members are given in the subsequent paragraphs.
4. Corporate members intending to authorize its representatives to attend the Meeting are requested to submit to the Company, a certified copy of the Board Resolution / authorization document authorizing their representative to attend and vote on their behalf at the Meeting.
5. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of business under Item No. 4 to 12 of the Notice, is annexed hereto. All documents referred to in the accompanying Notice and the Registers under the Companies Act, 2013 will be available electronically for inspection by the members during the AGM.
6. The Register of Members and Share Transfer Books of the Company will remain closed on August 25, 2021.
7. In compliance with above MCA and SEBI Circulars, Notice of the AGM along with the Annual Report 2020-21 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 and Annual Report 2020-21 will also be available on the Company’s website <https://eris.co.in/>, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.
8. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. The information required to be given for the Director(s) seeking appointment/ reappointment at the AGM as per regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretary of India and notified by the Ministry of Corporate Affairs forms part of the Notice as “Annexure”.
10. Notice of the fifteenth Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting is being sent to the members, whose email addresses are registered with the Company or Depository Participant[s] for communication purposes.
11. Members who have not registered their e-mail address with the Company may temporarily register the same with the Company’s Registrar and Share Transfer Agent i.e. M/s Link Intime India Private Limited as per process described below:
  - Members holding shares in electronic/demat form, please update your email address with your depository participants. However, Members may temporarily register the same with the Company’s Registrar and Share Transfer Agent i.e. M/s. Link Intime India Private Limited at [https://web.linkintime.co.in/EmailReg/Email\\_Register.html](https://web.linkintime.co.in/EmailReg/Email_Register.html) on their website <https://linkintime.co.in/> in the Investor Services tab by providing details such as Name, DP ID, Client ID, PAN mobile number and e-mail address.
  - Members holding shares in physical form and who have not registered their email address may register the same with the Company’s Registrar and Share Transfer Agent i.e. M/s. Link Intime India Private Limited at [https://web.linkintime.co.in/EmailReg/Email\\_Register.html](https://web.linkintime.co.in/EmailReg/Email_Register.html) on their website <https://linkintime.co.in/> in Investor Services tab by providing details such as Name, Folio number, Certificate number, PAN mobile number and email address and also upload the image of share certificate in PDF or JPEG format (upto 1 MB).On submission of the above member detail, One Time Password (OTP) will be received by the Member which needs to be entered in the link for verification.
12. The aforementioned mechanism of registration of email ids for the purpose of e-voting will be also given by the Company in the Public Notice. Further, the date of completion of sending of the Notice and the Explanatory Statement will be announced through advertisement in newspapers having wide circulation in the district where the Registered Office of Company is situated.

13. The certificate from the Auditors relating to the Company's Stock Options regarding implementation of ESOP, under SEBI (Share Based Employee Benefits) Regulations, 2014 will be available electronically for inspection at the Annual General Meeting.
14. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.
15. Non-resident Indian shareholders are requested to inform about the change in the residential status on return to India for permanent settlement, immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be.
16. The Board of Directors has appointed Mr. Ravi Kapoor, Practicing Company Secretary (FCS No. 2587; COP No 2407) to act as Scrutinizer for conducting the e-voting and remote e-voting process in a fair and transparent manner.
17. The Scrutinizer will submit his report to the Chairperson or any other director/person of the Company as authorised by the Board, if any, after completion of the scrutiny of the e-votes submitted. The Scrutinizer's decision on the validity of the e-votes shall be final. The results of the meeting will be announced on or before Friday, September 03, 2021 at the Registered Office of the Company. The results, together with the Scrutinizer's Report, will be displayed at the Registered Office of the Company and on the Company's website viz., [www.eris.co.in](http://www.eris.co.in), besides being communicated to BSE Limited and the National Stock Exchange of India Limited.
18. Voting through electronic means:
  - a) The business as set out in the Notice may be transacted through electronic voting system. In compliance with the provisions of section 108 of the Act read with the Companies [Management and Administration] Rules, 2014, Secretarial Standards-2 issued the Institute of Companies Secretaries of India on General Meetings and in compliance with Regulation 44 of the Listing Regulations, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its members to enable them to cast their votes electronically. The Company has made necessary arrangements with NSDL to facilitate the members to cast their votes from a place other than the venue of the AGM [remote e-voting].
  - b) A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to avail the facility of remote e-voting or e-voting at the AGM. Persons who are not members as on the cut-off date should treat this notice for information purpose only.
  - c) The Notice will be displayed on the website of the Company [www.eris.co.in](http://www.eris.co.in) and on the website of NSDL i.e [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - d) The members who have cast their vote by remote e-voting prior to AGM may also attend the AGM, but shall not be entitled to cast their e-vote again.
  - e) The remote e-voting period will commence at 9:00 a.m. (IST) on Sunday, August 29, 2021 and will end at 5:00 p.m. (IST) on Tuesday, August 31, 2021. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Wednesday, August 25, 2021 may cast their vote by remote e-voting. The e-voting module shall be disabled by NSDL for voting thereafter.
19. 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 for 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.
20. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Sunday, August 29, 2021 at 09:00 A.M. and ends on Tuesday, August 31, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, August 25, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being August 25, 2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.



Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1. If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDEAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDEAS” Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode 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 toll free no.: 1800 1020 990 and 1800 22 44 30
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 022- 23058738 or 022-23058542-43



**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the.pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.****How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to ravi@ravics.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/ Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Sarita Mote at evoting@nsdl.co.in

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to complianceofficer@erislifesciences.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to complianceofficer@erislifesciences.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted 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 in the AGM.
3. 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.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM link” placed under “Join General meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 4 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [complianceofficer@erislifesciences.com](mailto:complianceofficer@erislifesciences.com).
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
7. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

# Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

The following statement sets out all material facts relating to the Special Businesses mentioned in the accompanying Notice:

## Item No. 4

In accordance with the provisions of section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records of the Company pertaining to the applicable products manufactured by the Company. On the recommendation of the Audit Committee, the Board of Directors have approved the re-appointment of M/s. Kiran J Mehta & Co. (FRN-000025), Cost Accountants, Ahmedabad as the Cost Auditors to conduct audit of cost records of the Company for the financial year 2021-2022, at a remuneration of Rs. 1,70,000/-.

M/s. Kiran J Mehta & Co. Cost Accountants have furnished a certificate regarding their eligibility for appointment as the Cost Auditors of the Company. As per the provisions of the Act read with the Rules, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 4 of the Notice.

Accordingly, consent of the members is sought by way of an Ordinary Resolution respectively as set out in Item No. 4 of the Notice.

The Board recommends the Resolution for your approval and ratification.

## Item No. 5

The Board of Directors had appointed Mr. Rajeev Dalal, (DIN: 00222650), as an Additional Director of the Company classified as an Independent Director, for a term of five years commencing from December 19, 2020, subject to the approval of the Members. Pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company, Mr. Rajeev Dalal shall hold office upto the date of this AGM and is eligible to be appointed as an Independent Director. The Company has, in terms of Section 160(1) of the Act, received a recommendation of Nomination and Remuneration Committee of the Company, recommending his candidature for the office as an Independent Director.

Accordingly, it is proposed to approve the appointment of Mr. Rajeev Dalal as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from December 19, 2020 upto December 18, 2025.

Mr. Rajeev Dalal is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 ("the Act") nor debarred from holding the office of director by virtue of any SEBI order or any other such authority from being appointed as an Independent Director and has given his consent to act as an Independent Director. The Company has also received a declaration from Mr. Rajeev Dalal that he meets the criteria of independence as prescribed under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Details of Mr. Rajeev Dalal are provided in Annexure to this Notice, pursuant to the provisions of SEBI Listing Regulations and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. The terms and conditions of his appointment shall be available on the website of the Company and open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM.

**Brief profile:** Mr. Rajeev Dalal is a Member of the Institute of Company Secretaries of India. Further he also holds degree of Bachelor of Law and Bachelor of Commerce. He has also been a member of the Committee appointed by the Securities Exchange Board of India (SEBI) for improving disclosure standards in public documents of Corporates for Capital issues. He has over 35 years of Corporate Finance experience covering 100+ M&A (domestic and cross border) transactions and Private Equity deals in sectors such as Pharma, Chemicals, FMCG, Metals & Mining, Industrials and Financial Services. He was associated with Ernst & Young LLP as transactions partner in 2002, prior to that he was associated with Ind Global Finance Trust (a category 1 investment bank), HSBC and JM Financial in their investment banking divisions.

Mr. Rajeev Dalal is interested in the resolution set out at Item No. 5 of the Notice with regard to his appointment. Relatives of Mr. Rajeev Dalal may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Accordingly, consent of the members is sought by way of an Ordinary Resolution respectively as set out in Item No. 5 of the Notice.

The Board recommends the Resolution for your approval.

## Item No. 6

The Board of Directors had appointed Ms. Kalpana Unadkat, (DIN: 02490816), as an Additional Director of the Company classified as an Independent Director, for a term of five years commencing from January 05, 2021, subject to the approval of the Members. Pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company, Ms. Kalpana Unadkat shall hold office upto the date of this AGM and is eligible to be appointed as an Independent Director. The Company has, in terms of Section 160(1) of the Act, received a recommendation of Nomination and Remuneration Committee of the Company, recommending her candidature for the office as an Independent Director.

Accordingly, it is proposed to approve the appointment of Ms. Kalpana Unadkat as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from January 05, 2021 upto January 04, 2026.

Ms. Kalpana Unadkat is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 ("the Act") nor debarred from holding the office of director by virtue of any SEBI order or any other such authority from being appointed as an Independent Director and has given her consent to act as an Independent Director. The Company has also received a declaration from Ms. Kalpana Unadkat that she meets the criteria of independence as prescribed in under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**").

Details of Ms. Kalpana Unadkat are provided in Annexure to this Notice, pursuant to the provisions of SEBI Listing Regulations and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. The terms and conditions of her appointment shall be available on the website of the Company and open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM.

**Brief profile:** Ms. Kalpana Unadkat is a qualified Solicitor registered with the Bombay Incorporated Law Society and the Law Society of England & Wales. She brings over two decades of legal experience and is presently a Partner with Khaitan & Co. Prior to Khaitan & Co., Ms. Kalpana Unadkat spent 10 years with the London offices of Ashurst LLP. She is a well-recognised expert on M&A and Corporate Governance principles. She also advises on board effectiveness, particularly around issues of corporate governance, leadership, organisational climate, and decision-making. In this regard, she has led several workshops and trained more than 300 directors with a comprehensive approach to director development. She is also an independent director on the board of public companies (listed and unlisted). She is a co-author of the research "Women on Board" and has been frequently quoted in the media on corporate governance and M&A deals in India.

Ms. Kalpana Unadkat is interested in the resolution set out at Item No. 6 of the Notice with regard to her appointment. Relatives of Ms. Kalpana Unadkat may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Accordingly, consent of the members is sought by way of an Ordinary Resolution respectively as set out in Item No. 6 of the Notice.

The Board recommends the Resolution for your approval.

#### **Item No. 7**

Mrs. Vijaya Sampath was appointed as an Independent Director on the Board of the Company at the meeting of the Members held on 3rd February, 2017, to hold office upto 2nd February, 2022 ("first term").

The Board of Directors, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considered her professional background, expertise and experience and contributions made by her towards the Company during her tenure and found that the continued association of Mrs. Vijaya Sampath would be beneficial to the Company. Hence, it is desirable to re-appoint her in order to avail her services as an Independent Director without any disruption.

Accordingly, it is proposed to approve and ratify the re-appointment of Mrs. Vijaya Sampath as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 3rd February, 2022 upto 2nd February, 2027.

Mrs. Vijaya Sampath is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Companies Act, 2013 ("the Act") nor debarred from holding the office of director by virtue of any SEBI order or any other such authority from being appointed as an Independent Director and has given her consent to act as a Director. The Company has also received a declaration from Mrs. Vijaya Sampath that she meets the criteria of independence as prescribed in under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**").

Details of Mrs. Vijaya Sampath are provided in Annexure to this Notice, pursuant to the provisions of SEBI Listing Regulations and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. The terms and conditions of her appointment shall be available on the website of the Company and open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM.

**Brief profile:** Mrs. Vijaya Sampath brings more than 38 years of experience in the legal profession and is proficient in corporate law, joint ventures, mergers and acquisitions and commercial contracts. She has previously worked with the Indian Aluminium Company. She was also associated with Bharti Airtel Limited for eight years as Group General Counsel and Company Secretary. She holds a bachelor's degree in Arts from Madras University and a law degree from Mysore University. She is also a fellow member of the Institute of Company Secretaries of India. She has attended the Advanced Management Program of Harvard Business School, USA and a program on Managing Strategic Alliances conducted by the Wharton School, University of Pennsylvania, USA.

Mrs. Vijaya Sampath is interested in the resolution set out at Item No. 7 of the Notice with regard to her re-appointment. Relatives of Mrs. Vijaya Sampath may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Accordingly, consent of the members is sought by way of a Special Resolution respectively as set out in Item No. 7 of the Notice.

The Board recommends the Resolution for your approval.

#### Item No. 8

Mr. Amit Bakshi is the Chairperson and Managing Director of the Company. He has been on the Board of Directors since the inception of the Company. During the year, his term as Managing Director came to end as on 31st March, 2021. Hence, it is desirable to consider his re-appointment.

Mr. Amit Bakshi has good leadership track record, deep strategic expertise and proven experience in the Indian pharmaceutical industry across multiple Indian pharmaceutical companies. Hence, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, it is desirable to re-appoint him in order to avail his services as the Managing Director without any disruption.

Accordingly, it is proposed to approve the re-appointment of Mr. Amit Bakshi as the Managing Director of the Company, liable to retire by rotation, for a term of five consecutive years commencing from 1st April, 2021 upto 31st March, 2026.

Mr. Amit Bakshi is not disqualified from being appointed as the Managing Director in terms of Section 164 of the Act nor debarred from holding the office of director by virtue of any SEBI order or any other such authority from being appointed as the Managing Director and has given his consent to act as a director.

Further, pursuant to the Section 196, 197 read with Schedule V of the Companies Act, 2013, on recommendation of Nomination and Remuneration Committee, the Board at its meeting held on March 31, 2021, had re-appointed Mr. Amit Bakshi as the Managing Director of the Company w.e.f. April 01, 2021 subject to the approval of Members. Details of Mr. Bakshi are provided in the "Annexure" to the Notice, pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and (ii) Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

The Board seeks the consent of the Members of the Company, for the re-appointment of Mr. Bakshi as the Managing Director for a period of five years at the remuneration set out below:

Particulars	Remuneration per annum (in Rs.)
Basic salary	1,05,00,000
Leave Travel Allowance	60,00,000
House rent allowance	42,00,000
Child allowance	2,400
Hostel allowance	7,200
Transport allowance	19,200
Medical reimbursement	15,000
Bonus	24,000
Others	84,13,800
<b>Gross</b>	<b>2,91,81,600</b>
Gratuity	4,36,800
Company Provident Fund	21,600
Driver Salary and Fuel	3,60,000
<b>Total Fixed Component</b>	<b>3,00,00,000</b>
<b>Variable Component</b>	
Maximum Rs. 2,00,00,000/- Subject to approval of Nomination and remuneration committee	2,00,00,000
<b>Total Variable Component</b>	<b>2,00,00,000</b>
<b>Total</b>	<b>5,00,00,000</b>

Brief profile: Mr. Amit Bakshi has been on the Board of Eris since inception and serves as Chairman and Managing Director. He has over two decades of experience in the Indian pharmaceutical industry across multiple Indian pharmaceutical companies. He takes responsibility for setting the strategic direction for Eris as well as maintaining high governance standards. He oversees the company's business with special focus on enhancing patient engagement and architecting total healthcare solutions. Mr. Bakshi has been recognized as 'Entrepreneur of the Year, 2013' by Ernst & Young LLP.

Mr. Amit Bakshi is interested in the resolution set out at Item No. 8 of the Notice with regard to his re-appointment. Relatives of Mr. Amit Bakshi may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Accordingly, consent of the members is sought by way of a Special Resolution respectively as set out in Item No. 8 of the Notice.

The Board recommends the Resolution for your approval and ratification.

**Item No. 9 and 10**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (“the Act”) and the Articles of Association of the Company, had appointed Mr. Krishnakumar Vaidyanathan (DIN: 08976508) as an Additional Director of the Company with effect from December 20, 2020. Pursuant to Section 161(1) of the Act, Mr. Krishnakumar Vaidyanathan holds office up to the date of this meeting.

Mr. Krishnakumar Vaidyanathan is not disqualified from being appointed as a Director in terms of Section 164 of the Act nor debarred from holding the office of director by virtue of any SEBI order or any other such authority from being appointed as the Whole-time Director and has given his consent to act as a director.

Further, pursuant to the Section 196, 197 read with Schedule V of the Companies Act, 2013, on recommendation of Nomination and Remuneration Committee, the Board at its meeting held on May 13, 2021, had appointed Mr. Krishnakumar Vaidyanathan as the Whole-time Director of the Company subject to the approval of Members. Details of Mr. Krishnakumar Vaidyanathan are provided in the “Annexure” to the Notice, pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and (ii) Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

The Board seeks the consent of the Members of the Company, for the appointment of Mr. Krishnakumar Vaidyanathan as the Whole Time Director (designated as Executive Director) for a period of five years from the date of this annual general meeting at the remuneration set out below:

Particulars	Remuneration per annum (in Rs.)
Basic salary	1,35,00,000
Leave Travel Allowance	-
House rent allowance	-
Child allowance	-
Hostel allowance	-
Transport allowance	-
Medical reimbursement	-
Bonus	-
Others	2,88,52,050
<b>Gross</b>	<b>4,23,52,050</b>
Gratuity	6,49,350
Company Provident Fund	16,20,000
Driver Salary and Fuel	3,60,000
Telephone	12,000
Medicclaim	6,600
<b>Total</b>	<b>4,50,00,000</b>

**Brief profile:** Currently, Mr. Krishnakumar in his role as Chief Operating Officer oversees the business operations of the company. He has over two decades of professional experience across Lifesciences, Corporate Finance and Management Consulting. His core areas of expertise include Strategic Planning, Business Building, Mergers & Acquisitions, Corporate Finance and Operational Excellence. Prior to joining Eris, Mr. Krishnakumar was a Corporate Finance Partner with Ernst & Young LLP for 9 years. Prior to Ernst & Young, Krishnakumar has worked with Avendus Capital, Piramal Pharma Solutions and McKinsey & Company. Mr. Krishnakumar holds an MBA in Finance from IIM Calcutta and a B.Tech from VJTI, Bombay University.

Mr. Krishnakumar Vaidyanathan is interested in the resolution set out at Item No. 9 and 10 of the Notice with regard to his appointment. Relatives of Mr. Krishnakumar Vaidyanathan may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.



Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Accordingly, consent of the members is sought by way of an Ordinary Resolution and a Special Resolution respectively as set out in Item No. 9 and 10 of the Notice.

The Board recommends the Resolution for your approval and ratification.

#### Item No. 11

Mr. Inderjeet Singh Negi is the Whole time Director of the Company. He has been on the Board of Directors since the inception of the Company. During the year, his term as the whole time Director came to end as on 31st March, 2021. Hence, it is desirable to consider his re-appointment.

The Board of Directors, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee (the "NRC Committee"), considered his professional background, expertise and experience, on the basis of which it was decided to re-appoint Mr. Inderjeet Singh Negi as the Whole Time Director of the Company.

Accordingly, it is proposed to approve and ratify the re-appointment of Mr. Inderjeet Singh Negi as the Whole Time Director of the Company, liable to retire by rotation, for a term of five consecutive years commencing from 1st April, 2021 upto 31st March, 2026.

Mr. Inderjeet Singh Negi is not disqualified from being appointed as the whole-time Director in terms of Section 164 of the Act nor debarred from holding the office of director by virtue of any SEBI order or any other such authority from being appointed as the whole time Director and has given his consent to act as a director.

Further, pursuant to the Section 196, 197 read with Schedule V of the Companies Act, 2013, on recommendation of Nomination and Remuneration Committee, the Board at its meeting held on May 13, 2021, had re-appointed Mr. Inderjeet Singh Negi as the Whole Time Director of the Company subject to the approval of Members. Details are provided in the "Annexure" to the Notice, pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and (ii) Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

The Board seeks the consent of the Members of the Company, for the re-appointment of Mr. Inderjeet Singh Negi as the Whole Time Director for a period of five years at the remuneration set out below:

Particulars	Remuneration per annum (in Rs.)
Basic salary	45,50,004
Leave Travel Allowance	26,00,004
House rent allowance	18,20,004
Child allowance	2,400
Hostel allowance	7,200
Transport allowance	19,200
Medical reimbursement	15,000
Bonus	24,000
Others	33,61,732
<b>Gross</b>	<b>1,23,99,544</b>
Gratuity	2,18,856
Company Provident Fund	21,600
Driver Salary and Fuel	3,60,000
Telephone	-
Medicclaim	-
<b>Total</b>	<b>1,30,00,000</b>

**Brief profile:** Mr. Inderjeet Singh Negi has been on the Board of Eris since inception and serves in the capacity of Executive Director. He is responsible for driving supply chain and sales administration in line with the overall strategic direction of the company. Mr. Negi has worked with several pharmaceutical companies including Sun Pharma and Intas Pharma in various capacities and has more than 20 years' cumulative professional experience. Mr. Negi is a science graduate from HNB Garhwal university.



Mr. Inderjeet Singh Negi is interested in the resolution set out at Item No. 11 of the Notice with regard to his re-appointment. Relatives of Mr. Inderjeet Singh Negi may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Accordingly, consent of the members is sought by way of a Special Resolution respectively as set out in Item No. 11 of the Notice.

The Board recommends the Resolution for your approval and ratification.

**Item No. 12**

As the members are aware, stock options have long been recognized as an effective instrument to attract and retain the key critical talent in an increasingly competitive environment. This ESOP scheme will help to align the senior stakeholders to drive the Company Vision and a high performance culture by being the shareholders and having an opportunity to maximize wealth creation.

With the above objective and based on the recommendation of the Nomination and Remuneration Committee of the Company and subject to approval of the members of the Company, the Board of Directors of the Company pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Share Capital and Debenture) Rules, 2014 and other applicable laws, at their meeting held on July 29, 2021 approved introduction and implementation of 'Eris Lifesciences Limited Employee Stock Option Plan 2021' ("ESOP-2021") scheme. The ESOP scheme has been formulated in accordance with the applicable laws.

The ESOP Scheme will be implemented directly and administered by the Nomination and Remuneration ("NRC") Committee of the Company.

The salient features of the scheme are as follows:

a)	Brief description of the scheme and particulars of benefits for the employees	The scheme would enable eligible employees to acquire ESOPs at an exercise price which would be at a 20% discount to the Eris share price at the time of the grant. Additional details appear below.
b)	Total number of options to be granted	A total of up to 13,58,630 options would be available for grant in multiple tranches which could be spread over a period of up to 6 years.
c)	Identification of class of employees entitled to participate	The permanent employees at senior levels would be entitled to participate in the ESOP scheme.
d)	Requirements of vesting and period of vesting	The requirement of vesting would be continuity of employment with the company. The granted options shall vest over a period of 4 (four) years following the grant. Thus 25% of the granted options shall vest at each anniversary of the grant.
e)	Maximum period within which options shall be vested	The maximum vesting period shall not be more than 4 (four) years from the date of grant of stock options.
f)	Exercise price or pricing formula	The exercise price shall be 80% of the closing price (CMP) of the equity shares of the company on the National Stock Exchange of India Limited on the date immediately preceding the date of grant and if such a date is a trading holiday, the earliest such preceding day which is not a trading holiday.
g)	Exercise period and process of exercise	Each vested lot of the granted options shall be capable of being exercised on or before the seventh anniversary of the date of vesting. The exercise shall be made by means of a formal application duly signed by the option grantee (or his nominee in case of death of the option grantee).
h)	The appraisal process for determining the eligibility of employees for the scheme	The NRC of the company shall determine the eligibility of employees to the ESOP scheme. It may be guided by suitable external agencies in this regard.
i)	Maximum number of options to be issued per employee and in aggregate	A maximum of 4,00,000 options per employee could be issued. A maximum of 1,358,630 options would be issued in aggregate.
j)	Maximum quantum of benefits to be provided per employee under the scheme	The Maximum quantum of benefits per employee shall not exceed: 20% of the CMP as on the respective dates of grant, aggregated across all the grants made to that particular employee.
k)	Whether the scheme is to be implemented and administered directly by the Company or through a trust	Directly by the Company through its Nomination and Remuneration Committee.
l)	Whether the scheme involves new issue of shares by the company or secondary acquisition by the trust or both	The scheme involves new issue of shares by the Company.

m)	The amount of loan to be provided for the implementation of the scheme by the Company to the ESOP Trust	Not applicable.
n)	Maximum percentage of secondary acquisition (subject to limits specified under the SEBI Regulations) that can be made by the ESOP trust for the purpose of Plan	Not applicable.
o)	Statement to the effect that the company shall comply with the applicable accounting standards	The Company shall comply with the applicable accounting standards.
p)	The method which the company shall use to value its options	Black Scholes formula
q)	Any interest of key managerial personnel, directors or promoters in such scheme and effect thereof	No key managerial personnel, and directors are interested in the scheme and effect thereof except to the extent of the possible grant that may be made to them. None of the promoters and independent directors are interested in the scheme and effect thereof.
r)	The details about how the voting rights in respect of the shares to be purchased or subscribed under the scheme would be exercised.	Employees who are granted the options would exercise the voting rights in respect of the equity shares resulting from the allotment against exercised options on their own.
s)	Lock-in period	There shall be no lock in period on the shares allotted against the exercise of vested options.
t)	The conditions under which options vested in employees may lapse	The options vested and exercisable by the employees may lapse, inter alia, upon: <ol style="list-style-type: none"> <li>1. Termination of employment: For any misconduct or other just cause.</li> <li>2. Resignation of the employee: In case the vested options are not exercised on or before the date of relieving from the Company.</li> <li>3. Retirement of the employee: In case the vested options are not exercised on or before the expiration of 6 months from the date of retirement.</li> <li>4. Death of the employee: Non-exercise (by the nominee of the deceased employee) within the stipulated period of 6 months from the date of demise.</li> <li>5. Others: Non-exercise by the employee (of the options vested in him) in cases of change of employment made at the behest of the Company, e.g., intra group transfer, divestment of business unit, division and the likes, within a stipulated period of 6 months from the effective date of such change/s.</li> </ol>

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the resolution except to the extent of their shareholding, if any.

Accordingly, consent of the members is sought by way of a Special Resolution respectively as set out in Item No. 12 of the Notice.

The Board recommends the Resolution for your approval.

By order of the Board of Directors

Date: July 29, 2021  
Place: Ahmedabad

**Milind Talegaonkar**  
Company Secretary  
Mem. No. A26493

## ANNEXURE TO THE NOTICE

The information required to be given for the Directors seeking appointment/ reappointment at the Annual General Meeting as per regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 are as under:

<b>Mr. Rajeev Dalal</b>	
Age	-64 years
Qualifications	Member of the Institute of Company Secretaries of India. He also holds degree of Bachelor of Law and Bachelor of Commerce.
Experience	
Expertise in specific functional areas	Please refer explanatory statement Item No. 5.
Date of first appointment on the Board	19/12/2020
Shareholding in the Company as on March 31, 2021	0
Remuneration last drawn (FY 2020-21)	Rs. 1.08 million
Remuneration proposed to be paid	Fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act.
Relationship between directors inter-se, Manager and other Key Managerial Personnel of the company	None
Directorships held in other Listed Companies as on March 31, 2021 (Other than Eris Lifesciences Limited)	0
Memberships / Chairmanships of Committees (Audit and Stakeholder) in includes all public companies (including this Company) and does not include private limited, foreign and Section 8 Companies as on March 31, 2021	1
Number of Board Meetings attended	2
Justification for choosing the appointees for appointment as Independent Directors shall be disclosed	Demonstrated proficiency and Independence during the meetings of the Board and Committees attended since the appointment made by the Board.
<b>Ms. Kalpana Unadkat</b>	
Age	-51 years
Qualifications	Solicitor, England & Wales; Solicitor, Mumbai; LL.B., Government Law College.
Experience	
Expertise in specific functional areas	Please refer explanatory statement Item No. 6.
Date of first appointment on the Board	05/01/2021
Shareholding in the Company as on March 31, 2021	0
Remuneration last drawn (FY 2020-21)	Rs. 0.91 million
Remuneration proposed to be paid	Fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act.
Relationship between directors inter-se, Manager and other Key Managerial Personnel of the company	None

Directorships held in other Listed Companies as on March 31, 2021 (Other than Eris Lifesciences Limited)	1
Memberships / Chairmanships of Committees (Audit and Stakeholder) in includes all public companies (including this Company) and does not include private limited, foreign and Section 8 Companies as on March 31, 2021	3
Number of Board Meetings attended	1
Justification for choosing the appointees for appointment as Independent Directors shall be disclosed	Demonstrated proficiency and Independence during the meetings of the Board and Committees attended since the appointment made by the Board.

#### Mrs. Vijaya Sampath

Age	~68 years
Qualifications	Bachelor's degree in Arts from Madras University and a law degree from Mysore University. She is also a fellow member of the Institute of Company Secretaries of India.
Experience	Please refer explanatory statement Item No. 7.
Expertise in specific functional areas	
Date of first appointment on the Board	03/02/2017
Shareholding in the Company as on March 31, 2021	2220 Equity Shares
Remuneration last drawn (FY 2020-21)	Rs. 1.55 million
Remuneration proposed to be paid	Fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act.
Relationship between directors inter-se, Manager and other Key Managerial Personnel of the company	None
Directorships held in other Listed Companies as on March 31, 2021 (Other than Eris Lifesciences Limited)	6
Memberships / Chairmanships of Committees (Audit and Stakeholder) in includes all public companies (including this Company) and does not include private limited, foreign and Section 8 Companies as on March 31, 2021	6
Number of Board Meetings attended	6
Justification for choosing the appointees for appointment as Independent Directors shall be disclosed	Demonstrated proficiency and Independence during the meetings of the Board and Committees attended since her last appointment.

<b>Mr. Amit Bakshi</b>	
Age	~46 years
Qualifications	Indian School Certificate Examination.
Experience	Please refer explanatory statement Item No. 8.
Expertise in specific functional areas	
Date of first appointment on the Board	27/01/2007
Shareholding in the Company as on March 31, 2021	54698423 Equity Shares
Remuneration last drawn (FY 2020-21)	Rs. 26.70 million
Remuneration proposed to be paid	The remuneration structure can be reviewed and/ or revised by the Board on the recommendation of the Nomination & Remuneration Committee within the limits prescribed under the Companies Act 2013 and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the term of his appointment.
Relationship between directors inter-se, Manager and other Key Managerial Personnel of the company	None
Directorships held in other Listed Companies as on March 31, 2021 (Other than Eris Lifesciences Limited)	0
Memberships / Chairmanships of Committees (Audit and Stakeholder) in includes all public companies (including this Company) and does not include private limited, foreign and Section 8 Companies as on March 31, 2021	0
Number of Board Meetings attended	6

<b>Mr. Krishnakumar Vaidyanathan</b>	
Age	~47 years
Qualifications	MBA in Finance from IIM Calcutta and a B.Tech from VJTI, Bombay University.
Experience	Please refer explanatory statement Item No. 9 and 10.
Expertise in specific functional areas	
Date of first appointment on the Board	20/12/2020
Shareholding in the Company as on March 31, 2021	0
Remuneration last drawn (FY 2020-21)	Rs. 35.65 million
Remuneration proposed to be paid	The remuneration structure can be reviewed and/ or revised by the Board on the recommendation of the Nomination & Remuneration Committee within the limits prescribed under the Companies Act 2013 during the term of appointment.
Relationship between directors inter-se, Manager and other Key Managerial Personnel of the company	None
Directorships held in other Listed Companies as on March 31, 2021 (Other than Eris Lifesciences Limited)	0
Memberships / Chairmanships of Committees (Audit and Stakeholder) in includes all public companies (including this Company) and does not include private limited, foreign and Section 8 Companies as on March 31, 2021	1
Number of Board Meetings attended	2

<b>Mr. Inderjeet Singh Negi</b>	
Age	~50years
Qualifications	Bachelor's degree in science
Experience Expertise in specific functional areas	Please refer explanatory statement Item No. 11.
Date of first appointment on the Board	27/01/2007
Shareholding in the Company as on March 31, 2021	5939833 Equity Shares
Remuneration last drawn (FY 2020-21)	Rs. 11.59 million
Remuneration proposed to be paid	The remuneration structure can be reviewed and/ or revised by the Board on the recommendation of the Nomination & Remuneration Committee within the limits prescribed under the Companies Act 2013 and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the term of his appointment.
Relationship between directors inter-se, Manager and other Key Managerial Personnel of the company	None
Directorships held in other Listed Companies as on March 31, 2021 (Other than Eris Lifesciences Limited)	0
Memberships / Chairmanships of Committees (Audit and Stakeholder) in includes all public companies (including this Company) and does not include private limited, foreign and Section 8 Companies as on March 31, 2021	1
Number of Board Meetings attended	5

By order of the Board of Directors

Date: July 29, 2021  
Place: Ahmedabad

**Milind Talegaonkar**  
Company Secretary  
Mem. No. A26493

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