Emcure

BOARD'S REPORT

To,
The Members,
Emcure Pharmaceuticals Limited

Your Directors hereby present the 43rd Board's Report on the business, operations and state of affairs of the Company together with the audited financial statements for the Financial Year ended March 31, 2024.

FINANCIAL HIGHLIGHTS

The brief highlights of the standalone and consolidated financial statements of the Company for the Financial Year 2023-24 are as under:

(Rs. in million)

Particulars	Consolidated		Standalone	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Revenue from Operations	66,582.51	59,858.11	34,976.55	31,070.86
Other Income	569.90	459.05	1,382.57	1,253.49
Total Revenue	**67,152.41**	**60,317.16**	**36,359.12**	**32,324.35**
Less: Total Expenses	**54,285.28**	**48,046.29**	**30,557.61**	**26,685.94**
Profit before Interest, Taxation, Depreciation, and Amortization (EBITDA)	**12,867.13**	**12,270.87**	**5,801.51**	**5,638.41**
Less: Finance Costs	2,371.47	2,136.08	1,660.92	1,668.33
Less: Depreciation and amortization expense	3,124.07	2,601.18	2,048.32	1,785.24
Profit before Exceptional Item and Taxation	**7,371.59**	**7,533.61**	**2,092.27**	**2,184.84**
Less: Exceptional Item	99.31	61.46	93.15	61.46
Less: Taxation	1,996.53	1,853.70	390.78	522.76
Profit for the year	**5,275.75**	**5,618.45**	**1,608.34**	**1,600.62**
Total comprehensive income for the year	**5,432.03**	**5,782.51**	**1,554.95**	**1,641.24**

STATE OF AFFAIRS

During the Financial Year under review, the Company continued its operations in its ordinary course. The operational and financial performance, amongst others is given in the Management Discussion and Analysis Report, forming part of the Annual Report.

During the year under review, the Board of Directors had approved a proposal to make an Initial Public Offer of the equity shares of the Company by way of Fresh Issue and/or through Offer for Sale by the existing shareholders of the Company and the same was also approved by the Members of the Company.

EMCURE PHARMACEUTICALS LTD. ★

The Company on December 17, 2023, filed the Draft Red Herring Prospectus dated December 16, 2023 ("DRHP") and on March 18, 2024 filed the Addendum to DRHP ("Addendum"), with the Securities and Exchange Board of India ("SEBI") and the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited. The in-principal approval of both the Stock Exchanges for the Initial Public Offer was received on March 28, 2024. The Company is awaiting Observation letter on the DRHP read with its Addendum, filed with SEBI.

The Company has also entered into exclusive sale, distribution, marketing and promotion agreement ("Distribution Agreements") with Sanofi India Limited and Sanofi Healthcare India Private Limited on March 13, 2024, for promotion and distribution of their Cardiovascular products in India, during the year under review.

SHARE CAPITAL & RESERVES

During the year under review, there was no change in the authorised share capital of the Company. However, the paid-up share capital of the Company increased from Rs. 18,08,52,116 to Rs. 18,11,52,116/- pursuant to allotment of Equity Shares upon exercise of employee stock options. The Board of Directors has decided not to transfer any amount to General Reserves.

DIVIDEND

During the Financial Year 2023-24, the following dividends were declared on the Equity shares of face value of Rs. 10/- each:

Sr. No.	Particulars	Date of Declaration	Amount of dividend per equity share	Dividend Amount (Rs. in million)
1.	Final Dividend (for FY 2022-23)	July 10, 2023	Re. 1/-	180.85
2.	Interim Dividend	December 15, 2023	Re. 1/-	180.85
3.	Interim Dividend	February 26, 2024	Re. 1/-	180.85

There are no dividend lying unclaimed or unpaid.

EMPLOYEE STOCK OPTION SCHEME

During the year under review, 60,000 stock options under the Emcure - Employee Stock Option Scheme 2013 ("Emcure ESOS 2013") were cancelled, 3,00,000 stock options were exercised and 2,10,000 stock options were settled for cash. As on March 31, 2024, total10,90,000 stock options were outstanding.

The disclosures in compliance with Section 62 of the Companies Act, 2013 (the "**Act**") read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 (including

EMCURE PHARMACEUTICALS LTD. ★

amendments thereto) in relation to Emcure ESOS 2013 are set out in '**Annexure – I**' to this Report.

SUBSIDIARIES AND ASSOCIATES

During the year under review, the following companies ceased to be subsidiaries of the Company consequent to their dissolution:

- Emcure Pharma Panama Inc. w.e.f. October 03, 2023
- Tillomed d.o.o. (Subsidiary of Emcure Pharma UK Ltd.) w.e.f. February 16, 2024

Further, during the year under review, Mantra Pharma Inc., subsidiary of Marcan Pharmaceuticals Inc., Canada, was acquired w.e.f. November 06, 2023 and Emcure Pharmaceuticals Dominicana, S.A.S, subsidiary was incorporated w.e.f. November 15, 2023.

The salient features of the financial statements of each of the Subsidiaries and the Associate Companies as required under the Act is provided in '**Annexure – II' (Form AOC - 1)**.

FINANCE

Your Company continues to avail financial assistance from Banks and other financial institutions by way of loans and other credit facilities in compliance with applicable laws/ Section 180 of the Act read with the Rules made thereunder.

LOANS, GUARANTEES AND INVESTMENTS

Particulars of loans given, guarantees given, investments made and securities provided, if any, under Section 186 of the Act are reported in the financial statements.

RELATED PARTY TRANSACTIONS

Particulars of contracts or arrangements with the related parties as referred to in sub-section (1) of Section 188 of the Act is forming part of this Report as **'Annexure – III' (Form AOC-2)**. All the Related Party Transactions as required under Ind AS-24 are reported in the Notes to the financial statements. All the Related Party Transactions as entered during the financial year were on arm's length.

CORPORATE GOVERNANCE

A report on the Corporate Governance of the Company prepared on a voluntary basis is enclosed as **'Annexure – IV'** to this Report.

EMCURE PHARMACEUTICALS LTD. ★

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Independent Directors

During the Financial Year under review, Dr. Shailesh Ayyangar (DIN: 00268076) resigned as Non-Executive, Non-Independent Director of the Company w.e.f. June 01, 2023 and was appointed by the Board of Directors as an Independent Director of the Company for a period of 3 years, w.e.f. June 02, 2023. Further, Mr. P. S. Jayakumar (DIN: 01173236) was re-appointed for a second term of Independent Director of the Company, for a period of 3 years, w.e.f. July 22, 2023.

In the opinion of the Board of Directors, the Independent Directors are persons of integrity and possess relevant expertise and experience. The Board of Directors further confirmed that all the Independent Directors had registered themselves with the Independent Directors Databank maintained by the Indian Institute of Corporate Affairs and are in compliance with Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014. In accordance with the provisions of Section 149 of the Act, the Independent Directors have given a declaration that they meet the criteria of independence as provided in the said Section.

Executive Directors

Dr. Mukund Gurjar (DIN: 00026843), retires by rotation as Director of the Company at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Key Managerial Personnel

Mr. Chetan Sharma (Membership No. F8352) was appointed as the Company Secretary of the Company w.e.f. June 01, 2023. The Board of Directors pursuant to their resolution dated December 11, 2023 appointed Mr. Chetan Sharma as the Compliance Officer under the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

NUMBER OF BOARD MEETINGS HELD

During the Financial Year ended March 31, 2024, the Board met eight (8) times.

NOMINATION AND REMUNERATION POLICY

The Company has adopted a Nomination and Remuneration Policy pursuant to Section 178 of the Act. The Policy is available on the website of the Company at: https://www.emcure.com/share-governance-and-investor-services/.

EMCURE PHARMACEUTICALS LTD.

EVALUATION OF THE PERFORMANCE OF THE BOARD

The performance evaluation was carried out based on the Board effectiveness, quality of discussion, contribution at the meetings, business acumen, strategic thinking, time commitment, relationship with the stakeholders, corporate governance practices, review of the terms of reference of the Committees and the contribution of the Committees to the Board in discharging its functions, etc. A separate meeting of the Independent Directors was held wherein the performance of the Non- Independent Directors, performance of the Board as a whole (including the Committees) and also that of the Chairman was carried out in terms of the provisions of the Act. Performance evaluation of independent directors was carried out by the entire Board of Directors, excluding the director being evaluated.

AUDIT COMMITTEE

The Audit Committee presently comprises of:

Name	Designation
Mr. P. S. Jayakumar (Chairman)	Independent Director
Mr. Vijay Gokhale	Independent Director
Mr. Berjis Desai	Non-executive Non-Independent Director

All the recommendations of Audit Committee were accepted by the Board of Directors.

VIGIL MECHANISM

The Company has adopted a Vigil Mechanism Policy (the "Policy") for the stakeholders to report genuine concerns/grievances. The Policy is available on the website of the Company at: https://www.emcure.com/share-governance-and-investor-services/. The Policy provides for adequate safeguards against the victimisation of the employees who use the vigil mechanism. The vigil mechanism is overseen by the Audit Committee.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has a Policy on Prevention of Sexual Harassment of Women at Workplace. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. During the year under review, two cases were reported. Necessary actions were taken in this regard and one case is pending to be disposed-off for the year ended March 31, 2024.

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Emcure Pharmaceuticals Limited
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E-mail:corporate@emcure.com **Website:** www.emcure.com **CIN:** U24231PN1981PLC024251

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility ("CSR") Committee presently comprises of:

Name	Designation
Mr. Sunil Mehta (Chairman)	Whole-time Director
Mrs. Namita Thapar	Whole-time Director
Mr. Vijay Gokhale	Independent Director

The Company undertakes the CSR activities as per the CSR Policy and the Annual Action Plan as approved by the Board of Directors in compliance with Section 135 of the Act and rules made thereunder read with Schedule VII.

CSR REPORT

The CSR Report on the activities undertaken during the year is provided as '**Annexure - V**' to this Report. The CSR Policy is available on the website of the Company at: https://www.emcure.com/share-governance-and-investor-services/.

DISCLOSURE UNDER SECTION 197 OF THE ACT

Any member interested in obtaining a copy of information under Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, may write to the Company Secretary at the Registered Office of the Company.

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

The information on conservation of energy, technology absorption and foreign exchange earnings/outgo as stipulated under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, is provided as '**Annexure - VI**' to this Report.

AUDITORS

The Auditors' Report on the financial statements for the year ended March 31, 2024, does not contain any qualification, reservation, adverse remark or disclaimer.

The Auditors have confirmed the Company that their continued appointment for the Financial Year 2024-25 is within the limits prescribed under Section 141 of the Companies Act, 2013.

EMCURE PHARMACEUTICALS LTD.

SECRETARIAL AUDIT REPORT

Pursuant to Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. SVD & Associates, Company Secretaries, (Firm Reg. no. P2013MH075200) were appointed as the Secretarial Auditors of the Company, to conduct the Secretarial Audit for the financial year ended March 31, 2024. The Report of the Secretarial Auditor is provided as '**Annexure – VII**' to this Report. The Secretarial Auditors' Report for the year under review does not contain any qualification, reservation, adverse remark or disclaimer.

COST AUDIT

As per Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records and accordingly, such accounts and records are maintained by the Company. The Board of Directors, on the recommendation of the Audit Committee, had appointed M/s. B. M. Sharma & Co. (Firm Registration no. 000219), Cost Accountants as Cost Auditor to conduct the audit of Company's cost records for the financial year ended March 31, 2024.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration to be paid to the Cost Auditor for FY 2024-25 is required to be ratified by the Members. The Board of Directors has recommended the same for approval by the Members at the ensuing AGM.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, a copy of the Annual Return of the Company is placed on the website of the Company and is accessible at: www.emcure.com.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Act, the Directors confirm that –

a) in the preparation of the annual accounts, the applicable accounting standards had been followed and there was no material departure from the same;

b) appropriate accounting policies have been selected and applied them consistently and had made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs as at March 31, 2024 and of the profit of the Company for the financial year ended on that date;

EMCURE PHARMACEUTICALS LTD.

c) proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the annual accounts have been prepared on a going concern basis; and

e) proper systems had been devised to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

INDUSTRIAL RELATIONS

Industrial Relations for the period under review continued to be cordial.

OTHERS

1. The Company has in place adequate internal financial controls with reference to the financial statements.

2. No disclosure is required in respect of the details relating to the deposits covered under Chapter V of the Act, as the Company has not accepted any deposit.

3. There was no significant or material order passed by any regulator or court or tribunal which would impact the status of the Company as a going concern and the operations in future.

4. The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

ACKNOWLEDGEMENTS

The Board of Directors acknowledge the valuable guidance and continued support extended by the government and other regulatory authorities, Company's customers, business partners, distributors, suppliers, medical professionals, Banks, financial institutions and other stakeholders. Your Directors would also like to take this opportunity to express their appreciation for the dedicated efforts of the employees of the Company.

For and on behalf of the Board of Directors
EMCURE PHARMACEUTICALS LIMITED

EMCURE PHARMACEUTICALS LTD. ★

BERJIS DESAI
CHAIRMAN
DIN: 00153675

Date: May 27, 2024
Place: Pune

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Annexure - I to Board's Report

Disclosure u/s 62 of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014.

Options granted under the Scheme till date		63,60,000
Options granted during the year		Nil
Options vested (not lapsed)		6,61,000
Options settled (cash)#		2,10,000
Options exercised		3,00,000
Total no. of shares arising as a result of exercise of option		3,00,000
Options lapsed/ cancelled till date		47,60,000
Exercise Price	Date	Exercise Price
	February 24, 2024	1,128.70*
Variation of terms of options	NIL	
Money realised by exercise of options	NIL	
Total no. of options in force	10,90,000	
Employee wise details of options granted during the year to		
Key Managerial Personnel	NIL	
Other employees who were granted options amounting to 5% or more of total options granted during the year	NIL	
Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	NIL	

NOTE:

#During the year, 2,10,000 stock options have been settled for cash pursuant to Emcure ESOS 2013.

** The exercise price is for stock options exercised during the year.*

For and on behalf of the Board of Directors
EMCURE PHARMACEUTICALS LIMITED

EMCURE PHARMACEUTICALS LTD. ★

BERJIS DESAI
CHAIRMAN
DIN: 00153675

Date: May 27, 2024
Place: Pune

Emcure Pharmaceuticals Limited
Registered Office: Plot No. P-1 & P-2, IT-BT Park, Phase-II, M.I.D.C., Hinjawadi, Pune - 411057, Maharashtra, India
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E-mail:corporate@emcure.com **Website:** www.emcure.com **CIN:** U24231PN1981PLC024251

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<u>Annexure - II to Board's Report</u>

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

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

Part A - Subsidiaries

(Rs. in million)

Sl. No.	Name of the subsidiary	Date since when subsidiary was acquired	Reporting period for the subsidiary concerned	Reporting Currency	Exchange Rate	Share capital	Reserves and Surplus	Total assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before tax	Provision for taxation	Profit / (Loss) after tax	Proposed Dividend (%)	Extent of shareholding (%)
1.	Gennova Biopharmaceuticals Limited	June 19, 2001	March 31, 2024	INR	1.00	55.11	2,449.91	5,863.68	3,358.66	-	4,220.82	520.23	197.70	322.53	-	87.95
2.	Zuventus Healthcare Limited	May 27, 2002	March 31, 2024	INR	1.00	200.55	6,759.20	9,569.11	2,609.36	-	10,504.17	1,682.90	433.76	1,249.14	-	79.58
3.	Emcure Nigeria Limited	July 01, 2007	March 31, 2024	NAIRA	0.06	1.89	5.18	13.32	6.25	-	7.81	101.27	(0.04)	101.31	-	100
4.	Emcure Pharmaceuticals Mena FZ-LLC	June 16, 2010	March 31, 2024	AED	22.57	322.39	(64.22)	1,156.09	897.92	-	1,556.55	131.41	-	131.41	-	100
5.	Emcure Pharmaceuticals South Africa (Pty) Limited	July 19, 2010	March 31, 2024	ZAR	4.41	178.76	9.32	450.59	262.51	-	470.22	35.32	12.26	47.58	-	100
6.	Emcure Brazil Farmaceutica Ltda	January 21, 2011	March 31, 2024	BRL	16.59	122.55	(311.65)	16.54	205.64	-	2.18	(7.05)	-	(7.05)	-	100

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7.	Emcure Pharma Philippines Inc.	May 07, 2021	March 31, 2024	Philippine peso	1.48	15.11	(2.24)	153.68	140.81	-	175.50	(0.97)	0.86	(1.83)	-	100
8.	Emcure Pharma UK Ltd	November 06, 2012	March 31, 2024	GBP	105.22	3,110.06	1,657.34	5,424.47	657.07	4,128.92	101.50	1,438.45	-	1,438.45	-	100
9.	Emcure Pharma Peru S.A.C	May 14, 2014	March 31, 2024	SOL	22.39	41.07	(49.03)	506.80	514.76	-	548.51	46.48	14.76	31.72	-	100
10.	Emcure Pharma Mexico S.A. DE C.V.	September 23, 2014	March 31, 2024	MXN	5.03	0.21	(118.62)	26.25	144.66	-	83.13	5.24	-	5.24	-	100
11.	Marcan Pharmaceuticals Inc.	November 09, 2015	March 31, 2024	CAD	61.56	2,483.54	245.80	7,078.04	4,348.70	0.01	7,455.60	794.66	263.99	530.67	-	100
12.	Emcure Pharmaceuticals Pty Ltd	June 17, 2015	March 31, 2024	AUD	54.38	48.72	(29.55)	21.21	2.04	-	10.15	0.91	0.63	0.28	-	100
13.	Emcure Pharma Chile SpA	October 2, 2020	March 31, 2024	Chilean Peso	0.08	35.62	(21.37)	486.06	471.81	-	360.52	(25.55)	0.35	(25.90)	-	100
14.	Lazor Pharmaceuticals Ltd.	February 04, 2021	March 31, 2024	Shilling	0.63	52.85	5.33	241.92	183.74	-	206.68	15.33	2.93	12.40	-	100
15.	Tillomed Pharma GmbH	January 12, 2016	March 31, 2024	EURO	89.99	622.56	(379.55)	1,224.47	981.46	-	1,246.68	(46.99)	11.19	(58.18)	-	100
16.	Tillomed Laboratories Ltd	April 16, 2014	March 31, 2024	GBP	105.22	2,001.39	4,480.42	8,400.43	1,918.62	-	10,325.72	2,616.22	646.62	1,969.60	-	100

EMCURE PHARMACEUTICALS LTD. ★

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17.	Laboratorios Tillomed Spain SLU	September 29, 2016	March 31, 2024	EURO	89.99	40.71	(0.30)	238.39	197.98	-	354.24	(0.76)	9.21	(9.97)	-	100
18.	Tillomed Italia SRL	January 11, 2017	March 31, 2024	EURO	89.99	531.74	(463.58)	1,862.61	1,794.45	-	2,223.65	(43.25)	1.44	(44.69)	-	100
19.	Tillomed France SAS	May 30, 2018	March 31, 2024	EURO	89.99	18.61	87.25	391.53	285.67	-	728.85	32.31	8.03	24.28	-	100
20.	Tillomed Malta Ltd.	June 06, 2022	March 31, 2024	EURO	89.99	46.08	11.70	912.29	854.51	-	790.51	19.48	6.82	12.66	-	100
21.	Mantra Pharma Inc.	November 06, 2023	March 31, 2024	CAD	61.56	0.01	23.36	7,797.98	7,774.63	-	1,734.47	56.05	32.77	23.28	-	100
22.	Emcure Pharmaceuticals Dominicana	November 15, 2023	March 31, 2024	-	-	-	-	-	-	-	-	-	-	-	-	100

NOTE-

1. During the year under review:
   - Emcure Pharma Panama Inc. and Tillomed d.o.o. (subsidiary of Emcure Pharma UK Ltd) ceased to be subsidiaries of the Company with effect from October 03, 2023 and February 16, 2024 respectively, consequent to their dissolution.
   - Mantra Pharma Inc., subsidiary of Marcan Pharmaceuticals Inc Canada was acquired on November 06, 2023
   - Emcure Pharmaceuticals Dominicana, S.A.S, a direct subsidiary of the Holding company was incorporated on November 15, 2023.

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Part B - Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures		
	Name of Associates or Joint Ventures	
1.	Latest audited Balance Sheet Date	
2.	Date on which the Associate or Joint Venture was associated or acquired	
3.	Shares of Associate or Joint Ventures held by the company on the year end	
	No. of shares	
	Amount of Investment in Associates or Joint Venture	
	Extent of Holding (in percentage)	NIL
4.	Description of how there is significant influence	
5.	Reason why the associate/joint venture is not consolidated	
6.	Net worth attributable to shareholding as per latest audited Balance Sheet	
7.	Profit or Loss for the year	
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation	

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
EMCURE PHARMACEUTICALS LIMITED

EMCURE PHARMACEUTICALS LTD. ★

BERJIS DESAI
CHAIRMAN
DIN: 00153675

SATISH MEHTA
MANAGING DIRECTOR & CEO
DIN: 00118691

TAJUDDIN SHAIKH
CHIEF FINANCIAL OFFICER

CHETAN SHARMA
COMPANY SECRETARY
MEMBERSHIP NO. F8352

Date: May 27, 2024
Place: Pune

Emcure Pharmaceuticals Limited
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E-mail: corporate@emcure.com **Website:** www.emcure.com **CIN:** U24231PN1981PLC024251

Annexure - III to Board's Report

Form No. AOC-2

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

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

1. **Details of contracts or arrangements or transactions not at arm's length basis:**
   There were no contracts or arrangements or transactions entered into with related parties during the year ended March 31, 2024, which were not at arm's length basis.

2. **Details of material contracts or arrangement or transactions at arm's length basis:**
   There were following material contracts or arrangement or transactions at arm's length basis with related parties for the year ended March 31, 2024.

Nature of contracts/ arrangements/ transactions	Name of the related party	Nature of relationship	Duration of the Contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value if any.	Amount (Rs. in million)	Date of approval by the Board, if any.	Amount paid as advances, if any
Holding of Office or Place of Profit	Mr. Rutav Mehta	Son of Mr. Sunil Mehta- Whole-time Director	Ongoing	Transaction at arm's length basis	3.48*	June 01, 2023	-
Holding of Office or Place of Profit	Mr. Sanjay Mehta	Brother of Mr. Sunil Mehta- Whole-time Director	Ongoing	Transaction at arm's length basis	35.25	July 27, 2021	-
Holding of Office or Place of Profit	Mr. Vikas Thapar	Spouse of Mrs. Namita Thapar- Whole-time Director	Ongoing	Transaction at arm's length basis	45.86	May 20, 2014	-

**Mr. Rutav Mehta holds an office or place of profit w.e.f. June 01, 2023.*

Note: The above disclosures on material transactions are based on criteria as prescribed under Rule 15(3)(a) of the Companies (Meetings of Board and its Powers) Rules,2014.

For and on behalf of the Board of Directors
EMCURE PHARMACEUTICALS LIMITED

EMCURE PHARMACEUTICALS LTD.

BERJIS DESAI
CHAIRMAN
DIN: 00153675

Date: May 27, 2024
Place: Pune

Emcure Pharmaceuticals Limited
Registered Office: Plot No. P-1 & P-2, IT-BT Park, Phase-II, M.I.D.C., Hinjawadi, Pune - 411057, Maharashtra, India
Phone Nos.: +91 20 – 35070033/ 35070000 **Fax No.:** +91 20 3507 0060
E-mail:corporate@emcure.com **Website:** www.emcure.com **CIN:** U24231PN1981PLC024251

ANNEXURE IV TO BOARD'S REPORT

CORPORATE GOVERNANCE REPORT

THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Emcure Pharmaceuticals Limited (the "**Company**") has always been committed to the practice of good Corporate Governance. Being a global Company, the Company has identified accountability, integrity and transparency in its affairs as the quintessential elements of attaining its goals. The Company believes that Corporate Governance is a set of guidelines to help fulfil its responsibilities to all its stakeholders and aims at improving its shareholders' wealth by focusing on best ethical practices of good Corporate Governance. The Company also aims to align the interests of individuals, corporates & society and to enhance the stakeholders' value.

I. BOARD OF DIRECTORS:

a) Composition:

As on the date of this Report, the Company has an optimum combination of Board comprising of eleven (11) directors, of whom, five (5) are Executive Directors (including four (4) Whole-time Directors and the Managing Director & CEO), four Independent Directors and two (2) Non-executive Non-Independent Directors including the Chairman. All the Non-executive Directors possess varied and rich experience in their respective fields and provide independent judgement on issues connected with strategic planning, business development and standards of conduct.

b) Details of the Board of Directors:

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the Financial Year 2023-24 and at the last Annual General Meeting ("**AGM**") and Extra-Ordinary General Meeting ("**EGM**"), the number of directorships and committee positions held by them in public limited companies including the Company as on March 31, 2024, are as under:

Name and DIN of the Directors	Category	No. of Board Meetings attended	No. of Directorships (including the Company)[1]	Committees Position (including in the Company)[2]		Attendance at the last AGM held on July 10, 2023	Attendance at the last EGM held on December 11, 2023
				Member	Chairman		
Mr. Berjis Desai[3] DIN: 00153675	Non-Executive Non-Independent Director (Chairman)	8	10	5	2	No	No
Mr. Satish Mehta DIN: 00118691	Managing Director & CEO (Promoter)	8	3	1	-	Yes	Yes
Mr. Sunil Mehta DIN: 00118469	Whole-time Director (Promoter)	8	2	1	-	Yes	No

Mrs. Namita Thapar[5] DIN: 05318899	Whole-time Director (Promoter)	8	2	-	-	No	Yes
Mr. Samit Mehta[5] DIN: 00332562	Whole-time Director (Promoter)	8	2	-	-	Yes	Yes
Dr. Mukund Gurjar DIN: 00026843	Whole-time Director	8	1	-	-	Yes	Yes
Mr. Samonnoi Banerjee DIN: 06874206	Non-Executive Non-Independent Director	8	1	-	-	No	No
Dr. Shailesh Ayyangar[7] DIN: 00268076	Independent Director	8	4	1	1	No	No
Mr. P. S. Jayakumar DIN: 01173236	Independent Director	8	10	6	3	Yes	No
Mr. Vijay Gokhale DIN: 09134089	Independent Director	8	2	3	-	No	Yes
Dr. Vidya Yeravdekar DIN: 02183179	Independent Director	6	2	2	-	No	No

NOTES:

1. *Number of Directorships exclude Directorships in Companies incorporated outside India, Private Companies and Section 8 Companies.*
2. *For the purpose of computing the number of committees, membership/ chairmanship of the Audit Committee and Stakeholder Relationship Committee have been considered.*
3. *Dr. Shailesh Ayyangar resigned as Non-Executive, Non-Independent Director w.e.f. the end of office hours of June 01, 2023 and was appointed as Additional (Independent) Director w.e.f. June 02, 2023, being eligible to be appointed as Independent Director.*
4. *Mr. P. S. Jayakumar was appointed as Independent Director w.e.f. July 22, 2023 consequent to the completion of his first term on July 21,2023.*
5. *Mrs. Namita Thapar and Mr. Samit Mehta have been identified as Promoters of the Company, w.e.f. March 18, 2024, pursuant to resolution passed by Board of Directors on March 18, 2024.*

All Directors, except Mr. Satish Mehta, Mr. Samonnoi Banerjee and Independent Directors appointed under the provisions of the Companies Act, 2013 (the "Act"), are liable to retire by rotation. Mr. Satish Mehta is the father of Mrs. Namita Thapar and Mr. Samit Mehta. Except them, none of the Directors are related to each other.

None of the Non-Executive Directors of the Company, have any pecuniary relationship or transactions with the Company other than sitting fees paid for attending Board Meetings/ committee meetings and commission, if any, payable and their respective shareholding, if any.

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted *inter-alia* declarations that each of them meets the criteria of independence as provided in the Act and that they are independent of the Management. The Independent Directors have also confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

Further, the Independent Directors have confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs.

In the opinion of the Board, the Independent Directors are persons of integrity and possess relevant expertise, experience and proficiency as per the Act.

All the Directors of the Company have confirmed that they are not disqualified for being appointed as directors pursuant to Section 164 of the Act.

c) **Details of directorships held by Directors of the Company in listed entities:**

S. No.	Name of Director	Name of listed entity	Category
1.	Mr. Berjis Desai	Praj Industries Limited*	Independent Director
		The Great Eastern Shipping Company Limited	Non-Executive Non-Independent Director
		Star Health and Allied Insurance Company Limited	Independent Director
		Man Infraconstruction Limited	Non - Executive Non - Independent Director - Chairman
		Jubilant FoodWorks Limited	Independent Director
		Chambal Fertilisers and Chemicals Limited	Independent Director
		Hikal Limited	Non-Executive Independent Director
2.	Mr. P. S. Jayakumar	HT Media Limited	Independent Director
		CG Power and Industrial Solutions Ltd	Independent Director
		JM Financial Limited	Independent Director
		Adani Ports and Special Economic Zone Limited	Independent Director
3.	Dr. Shailesh Ayyangar	Shaily Engineering Plastics Limited	Independent Director
4.	Dr. Vidya Yeravdekar	Bajaj Holdings & Investment Limited	Independent Director

**Mr. Berjis Desai Ceased to be Independent Director of Praj Industries Limited, w.e.f. April 01, 2024.*

d) **Board skills/expertise/competence chart**

The Board has identified the following parameters with respect to the skill/expertise/competence that are available with the Board in the context of the business and sector for it to function effectively:

Name of the Directors	Skill/ Expertise/ Competence
Mr. Berjis Desai	a) Legal b) Finance c) Corporate Governance

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Mr. Satish Mehta	a) Leadership b) Business Development c) Research & Development d) Manufacturing e) Corporate Governance f) Industry expertise
Mr. Sunil Mehta	a) Finance b) Administration
Mrs. Namita Thapar	a) Marketing & Sales b) Business Development c) Leadership d) Human Resources
Mr. Samit Mehta	a) Manufacturing b) Strategy c) Research & Development d) Finance
Dr. Mukund Gurjar	a) Research & Development b) Education c) Industry expertise
Mr. Samonnoi Banerjee	a) Investment banking b) Finance
Dr. Shailesh Ayyangar	a) Leadership b) Strategy c) Industry expertise
Mr. P.S. Jayakumar	a) Banking b) Leadership c) Corporate Governance
Mr. Vijay Gokhale	a) Diplomacy b) Governance
Dr. Vidya Yeravdekar	a) Education b) Administration c) Legal

e) **Details of Board Meetings and Attendance:**

During the Financial Year ended March 31, 2024, eight (8) Board Meetings were held on the following dates:

Sr. No.	Date of Meeting	Board Strength	No. of Directors present
1.	June 01, 2023	11	11
2.	July 14, 2023	11	10
3.	August 21, 2023	11	11
4.	October 09, 2023	11	10
5.	December 11, 2023	11	11
6.	December 15, 2023	11	11
7.	February 26, 2024	11	10
8.	March 13, 2024	11	11

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II. BOARD COMMITTEES:

1. Audit Committee:

Meetings held:
During the year under review, the Audit Committee met four (4) times on June 01, 2023, August 21, 2023, December 15, 2023 and February 26, 2024 respectively.

Composition as on March 31, 2024 and attendance during the year ended March 31, 2024:

During the year under review, the Audit Committee was duly constituted and currently comprises of Mr. P. S. Jayakumar, Mr. Berjis Desai and Mr. Vijay Gokhale as Members of the Committee. Mr. P. S. Jayakumar is the Chairman of the Committee.

Name of the Members	Category of Directorship	No. of meetings	
		Held during the tenure	Attended
Mr. P. S. Jayakumar	Independent Director	4	4
Mr. Vijay Gokhale	Independent Director	4	4
Mr. Berjis Desai	Non- Executive Non- Independent Director	4	4

All the Members of the Committee have financial management expertise. Managing Director & CEO and Chief Financial Officer are permanent Invitees to the Audit Committee Meetings. The representatives of Statutory Auditors and the Internal Auditors attend the Audit Committee Meetings by invitation. The Company Secretary acts as the Secretary to the Committee.

Brief description of Terms of Reference of the Committee:

The terms of reference the Committee *inter-alia* includes:

(i) The Audit Committee shall have powers, which shall include the following:

   (a) To investigate any activity within its terms of reference;

   (b) To seek information from any employee of the Company;

   (c) To obtain outside legal or other professional advice;

   (d) To secure attendance of outsiders with relevant expertise if it considers necessary; and

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(e) Such powers as may be prescribed under the Companies Act and the SEBI Listing Regulations.

(ii) The role of the Audit Committee shall include the following:

(a) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) Recommendation for appointment, re-appointment, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor of the Company and the fixation of audit fee;

(c) Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;

(d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

(i) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;

(ii) changes, if any, in accounting policies and practices and reasons for the same;

(iii) major accounting entries involving estimates based on the exercise of judgment by the management of the Company;

(iv) significant adjustments made in the financial statements arising out of audit findings;

(v) compliance with listing and other legal requirements relating to financial statements;

(vi) disclosure of any related party transactions; and

(vii) qualifications/modified opinion(s) in the draft audit report.

(e) Reviewing, with the management, the quarterly, half yearly and annual financial statements before submission to the Board for approval;

(f) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the issue document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue,

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or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;

(g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(h) Formulating a policy on related party transactions, which shall include materiality of related party transactions and the definition of material modifications of related party transactions;

(i) Approval or 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 such conditions as may be prescribed;

(j) Approval of related party transactions to which the subsidiary(ies) of the Company is party but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover as per the last audited financial statements of the Company, subject to such other conditions prescribed under the SEBI Listing Regulations;

(k) Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

(l) Scrutiny of inter-corporate loans and investments;

(m) Valuation of undertakings or assets of the company, wherever it is necessary;

(n) Evaluation of internal financial controls and risk management systems;

(o) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(p) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(q) Discussion with internal auditors of any significant findings and follow up there on;

(r) 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;

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(s) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(t) Reviewing the functioning of the whistle blower mechanism;

(u) Approval of the appointment of the chief financial officer of the Company after assessing the qualifications, experience and background, etc., of the candidate;

(v) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;

(w) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

(x) Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;

(y) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;

(z) approve the disclosure of the key performance indicators to be disclosed in the documents in relation to the initial public offer of the equity shares of the Company;

(iii) The Audit Committee shall mandatorily review the following information:

(a) Management discussion and analysis of financial condition and results of operations;

(b) Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;

(c) Internal audit reports relating to internal control weaknesses;

(d) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;

(e) Statement of deviations:

(i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

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(ii) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations; and

(f) the financial statements, in particular, the investments made by any unlisted subsidiary.

2. Nomination and Remuneration Committee:

Meetings held:

During the year under review, the Nomination and Remuneration Committee met 3 times during the Financial Year 2023-24 on June 01, 2023, December 11, 2023 and February 26, 2024, respectively.

Composition as on March 31, 2024 and attendance during the year ended March 31, 2024:

During the year under review, the Nomination and Remuneration Committee was duly constituted and currently comprises of Mr. Vijay Gokhale, Mr. P. S. Jayakumar and Mr. Samonnoi Banerjee as Members of the Committee. Mr. Vijay Gokhale is the Chairman of the Committee.

Name of the Members	Category of Directorship	No. of meetings	
		Held during the tenure	Attended
Mr. Vijay Gokhale	Independent Director	3	3
Mr. P. S. Jayakumar	Independent Director	3	3
Mr. Samonnoi Banerjee	Non- Executive Non- Independent Director	3	3

Brief description of Terms of Reference of the Committee:

The terms of reference of the Committee *inter-alia* includes:

(a) 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;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

i. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

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ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

(b) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- use the services of an external agencies, if required;
- consider candidates from a wide range of backgrounds, having due regard to diversity; and
- consider the time commitments of the candidates;

(c) Formulation of criteria for evaluation of performance of independent directors and the Board;

(d) Devising a policy on Board diversity;

(e) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

(f) Analysing, monitoring and reviewing various human resource and compensation matters, (as deemed necessary);

(g) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(h) Recommending to the Board the remuneration, in whatever form, payable to the senior management personnel and other employees (as deemed necessary);

(i) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws, (as deemed necessary);

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(j) Determining whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation;

(k) Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, ("SEBI SBEB Regulations") including the following:

- formulating the detailed terms and conditions of the schemes, in accordance with the SEBI SBEB Regulations;
- administering the employee stock option plans of the Company, as may be required;
- determining the eligibility of employees to participate under the employee stock option plans of the Company;
- granting options to eligible employees and determining the date of grant;
- determining the number of options to be granted to an employee;
- determining the exercise price under the employee stock option plans of the Company;
- construing and interpreting the employee stock option scheme/plans of the Company and any agreements defining the rights and obligations of the Company and eligible employees under the employee stock option scheme/plans of the Company, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the employee stock option plans of the Company.

(l) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and

b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended,

by the Company and its employees, as applicable;

The Company has formulated a Nomination and Remuneration Policy including criteria for making payments to Non-executive Directors. The evaluation of performance of the Board as a whole, the Committees of the Board, the Chairman, Managing Director, Whole-time Directors, Independent Directors and the Non-executive Directors was carried out during the Financial Year ended March 31, 2024, in compliance with the

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provisions of the Act and the Rules & Schedule made thereunder. A separate meeting of the Independent Directors was held during the year, wherein the performance of the Non-Independent Directors, performance of the Board as a whole and also that of the Chairman in terms of the provisions of the Act was evaluated.

3. **Stakeholders Relationship Committee:**

Meetings held:
During the year ended March 31, 2024, one (1) meeting of Stakeholders' Relationship Committee was held.

Composition as on March 31, 2024 and attendance during the year ended March 31, 2024:

During the year under review, the Nomination and Remuneration Committee was duly constituted and currently comprises of Mr. Berjis Desai, Mr. Satish Mehta and Mr. Vijay Gokhale as Members of the Committee.

Name of the Members	Category of Directorship	No. of meetings	
		Held during the tenure	Attended
Mr. Berjis Desai	Non- Executive Non- Independent Director	1	1
Mr. Satish Mehta	Managing Director & CEO	1	1
Mr. Vijay Gokhale	Independent Director	1	1

Brief description of Terms of Reference of the Committee:

The terms of reference of the Committee *inter-alia* includes:

(a) Resolving the grievances of the security holders of the company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;

(b) Review of measures taken, if any for effective exercise of voting rights by shareholders;

(c) Review of adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar & Share Transfer Agent;

(d) Review of the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;

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(e) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Stakeholders' Relationship Committee.

During this period, the Company and/or its Registrar and Share Transfer agent did not receive any complaints from the shareholders of the Company. No complaints were outstanding at the beginning of the current Financial Year.

III. REMUNERATION OF DIRECTORS:

A. Particulars of Commission and sitting fees paid to Non-Executive Directors during the Financial Year ended March 31, 2024:

Sr. No.	Names of Directors	Commission[1] (Rs. in million)	Sitting Fees for attending Board/ Committee Meetings (Rs. in million)	No. of equity shares held
1.	Mr. Berjis Desai	5.00	0.60	192,856
2.	Mr. P. S. Jayakumar	2.60	0.64	-
3.	Mr. Vijay Gokhale	1.50	0.76	-
4.	Dr. Vidya Yeravdekar	1.50	0.28	-
5.	Mr. Samonnoi Banerjee	-	0.52	-
6.	Dr. Shailesh Ayyangar	6.00	0.32	-
	TOTAL	**16.60**	**3.12**	**192,856**

[1.] *Relates to Financial Year 2022-23*

The Non-Executive Directors of the Company including Independent Directors are paid sitting fees of Rs. 40,000/- for each meeting of the Board and/or Committee attended by them. The commission is paid to the Non-executive Directors *inter-alia* based on performance of the Company, their attendance, contribution etc. at the Board and various Committee Meetings.

B. Particulars of remuneration paid to the Managing Director/Whole-time Directors of the Company during the Financial Year 2023-24:

(Rs. in million)

Name of the Director	Period of Appointment	Salary p.a.	Perquisites & Allowances p.a.	Commission	Performance Linked Bonus	Retirement Benefits p.a.	Stock Options Granted	Severance Fee (if any)	Total
Mr. Satish Mehta (Managing Director & CEO)	Five years (From 1st April, 2022 upto 31st March, 2027)	92.07	104.48	22.00	-	11.04	-	-	229.59

Dr. Mukund Gurjar	Three Years (From 28th August, 2022 upto 27th August, 2025)	20.90	23.18	-	11.12	2.50	-	-	57.70
Mrs. Namita Thapar	Five years (From 28th July, 2019 upto 27th July, 2024)	18.23	20.13	-	3.45	3.05	-	-	44.87
Mr. Sunil Mehta	Five Years (From 5th June, 2018 to 4th June, 2023)	14.37	15.70	-	2.66	1.72	-	-	34.45
Mr. Samit Mehta	Five Years (From 28th July, 2022 to 27th July, 2027)	17.74	8.42	-	2.39	2.98	-	-	31.52

The Company enters into an agreement with all above mentioned Directors respectively. Either party to the agreement is entitled to terminate the agreement by giving not less than 6 months' notice in writing to the other party.

IV. GENERAL BODY MEETINGS:

The last three Annual General Meetings of the Company were held at the venue and time as under:

Sr. No.	Year	Venue	Date & Time	Special Resolution(s) passed at the meeting
1.	2022-23	Plot No. P2, IT-BT Park, Phase Ii, M.I.D.C., Hinjawadi, Pune - 411 057	July 10, 2023 11.00 AM	1. Revision in the remuneration payable to Mrs. Namita Thapar - Whole-Time Director. 2.Re-appointment of Mr. Palamadai Sundararajan Jayakumar (DIN: 01173236) as an Independent Director.
2.	2021-22	Plot No. P2, IT-BT Park, Phase II, M.I.D.C., Hinjawadi, Pune-411 057.	June 01, 2022 11.00 A.M.	1. Approval of limits for giving loan and making investment, giving guarantee or providing security by the Company under Section 186 of the Companies Act, 2013

				2. Approval for payment of commission to the Non-Executive Directors, in case of no profits or inadequacy of profits
3.	2020-21	Plot No. P2, IT-BT Park, Phase II, M.I.D.C., Hinjawadi, Pune–411 057.	July 30, 2021 11.00 A.M.	1. Re-appointment of Mr. Satish Mehta as the Managing Director & Chief Executive Officer 2. Holding of office or place of profit by Mr. Sanjay Mehta - President Commercial, a relative of Mr. Sunil Mehta, Whole-time Director of the Company 3. Continuation of Directorship of Mr. Shreekant Bapat as an Independent Director pursuant to Regulation 17 (1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 4. Increase in the Authorized Share Capital of the Company and consequent alteration to Clause V of the Memorandum of Association of the Company. 5. Adoption of new set of Articles of Association ("AOA") of the Company 6. Approval of raising of capital through an Initial Public Offering of equity shares. 7. Adoption of amendments to the Emcure - Employee Stock Option Scheme, 2013 8. Extending the benefits of Employee Stock Option Scheme, 2013 to the employees of the subsidiary companies 9. Approval under section 185 of the Companies Act, 2013

V. OTHER DISCLOSURES:

a) The financial statement (both standalone and consolidated) have been prepared in accordance with the applicable accounting standards - the Indian Accounting Standards (Ind-AS).

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b) The Company has a Vigil Mechanism/Whistle Blower Policy for employees to report concerns about unethical behaviour, actual or suspected fraud and confirms that no personnel have been denied access to the Audit Committee.

c) All the recommendations/submissions of the Committees which requires the approval of the Board has been approved by the Board.

d) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
a. Number of complaints filed during the Financial Year: 2
b. Number of complaints disposed-off during the Financial Year: 1
c. Number of complaints pending as on end of the Financial Year: 1

e) There are no transactions with the Director or Management, their associates or their relatives etc. that may have potential conflict with the interest of the Company at large.

f) None of the transactions with any of related parties were in conflict with the Company's interest. All related party transactions are negotiated at arm's length basis and are intended to further the Company's interests.

VI. GENERAL SHAREHOLDER INFORMATION:

(i) **Annual General Meeting:**

Day & Date	:	June 05, 2024
Time	:	11 a.m. (IST)
Venue	:	Plot No. P-1 & P-2, IT-BT Park, Phase-II, M.I.D.C., Hinjawadi, Pune - 411057, Maharashtra

(ii) **Financial Year:** April 01, 2023 to March 31, 2024

(iii) **Date of Declaration of dividend, if any:** Nil

(iv) **Website:** www.emcure.com

(v) **Share transfer system:** 100 % of the issued and paid up share capital of the Company are held in demat mode. Transfer of equity shares in electronic form are effected through the depositories.

(vi) **Shareholding Pattern as on March 31, 2024:**

Sr. No.	Category	No. of Shares	% of Shareholding
1.	Promoter and Promoter Group	14,14,45,256	78.08
2.	Foreign Body Corporate	2,36,73,544	13.07
3.	Others	1,60,33,316	8.85
	Total	**18,11,52,116**	100

EMCURE PHARMACEUTICALS LTD.

(vii) **Dematerialisation of Shares:** All the Equity Shares of the Company representing 100% holding of the issued and paid-up share capital of the Company were held in dematerialised form.

(viii) **Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:** The Company has not issued GDRs/ADRs/Warrants or any other instrument convertible into equity.

(ix) **Plant / R & D Locations:**

a. Plot Number 12/1 and 12/2, FII Block, MIDC Pimpri, Haveli, Pune - 411018;
b. Plot No. P-2, IT-BT Park, Phase-II, MIDC., Hinjawadi, Pune - 411057;
c. Plot No. D-24 & D24/1, MIDC Kurkumbh, Taluka - Daund, Pune - 413801;
d. SIDCO Industrial Estate, Lane No. 3, Phase II, Bari Brahmana, Jammu - 181130;
e. Plot No. SM-14, 15 & 16/1, Sanand Industrial Estate-II, Sanand, Ahmedabad - 382110, Gujarat;
f. Survey no. 661,671, Uvarsad Cross Road, Sarkhej Gandhinagar Highway, Adalaj, Dist: Gandhinagar-382421, Gujrat;
g. Survey No. 485(New), 160/P1(Old), Kadu, Tal-Lakhtar, Dist. Surendranagar, Gujarat - 382775; and
h. Survey No. 2203/1, Village-Dabhala, Visnagar Rd, Tal-Vijapur Dist: Mehsana, Gujarat - 384001.

(x) **Address for correspondence:**
Company Secretary
Plot No. P-1 & P-2, IT-BT Park,
Phase-II, M.I.D.C., Hinjawadi,
Pune - 411057, Maharashtra, India.
secretarial@emcure.com

For and on behalf of the Board of Directors
EMCURE PHARMACEUTICALS LIMITED

EMCURE PHARMACEUTICALS LTD.

BERJIS DESAI
CHAIRMAN
DIN:00153675

Place: Pune
Date: May 27, 2024

Annexure – V to Board's Report
Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2023-24

1. **Brief outline on Corporate Social Responsibility (CSR) Policy of the Company:**

   Pursuant to Section 135 read with Schedule VII of the Companies Act, 2013 ('the Act'), the Corporate Social Responsibility Committee of the Board had approved a CSR Policy with primary focus on Promoting Education, Promoting Preventive Healthcare, Women Empowerment.

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Sunil Mehta	Whole-time Director - Chairman	2	2
2.	Mrs. Namita Thapar	Whole-time Director	2	2
3.	Mr. Vijay Gokhale	Independent Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: https://www.emcure.com/share-governance-and-investor-services/

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: **Not applicable**

5. (a) Average Net Profit of the Company as per sub-section (5) of section 135: **Rs. 4,613.3 million**

   (b) Two percent of average net profit of the company as per sub-section (5) of section 135: **Rs. 92.3 million.**

   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**

EMCURE PHARMACEUTICALS LTD.

(d) Amount required to be set off for the Financial Year, if any: **Rs. 15.5 million**

(e) Total CSR obligation for the Financial Year [(b)+(c)-(d)]: **Rs. 92.3 million**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **Rs. 84.4 million**

(b) Amount spent in Administrative Overheads: **Rs. 2 million**

(c) Amount spent on Impact Assessment, if applicable: **Not applicable**

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: **Rs. 86.4 million**

(e) CSR Amount spent or unspent for the Financial Year:

<table>
<tr><th rowspan="3">Total Amount Spent for the Financial Year (Rs. in million)</th><th colspan="5">Amount Unspent (Rs. in million)</th></tr>
<tr><th colspan="2">Total Amount transferred to Unspent CSR Account as per section 135(6)</th><th colspan="3">Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)</th></tr>
<tr><th>Amount</th><th>Date of transfer</th><th>Name of the Fund</th><th>Amount</th><th>Date of transfer</th></tr>
<tr><td>Rs. 86.4*</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
</table>

* *Amount includes administrative expenses of Rs. 2 million.*

(f) Excess amount for set-off, if any:

Sl. No. (1)	Particulars (2)	Amount (Rs. in million) (3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section135	**92.3**
(ii)	Total amount spent for the Financial Year	**86.4**
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	**9.6***
(iv)	Surplus arising out of the CSR projects or programmes or activiti es of the previousFinancial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	**9.6**

**The CSR obligation for the FY 2023-24 was Rs. 92.3 million and the set-off availed was of Rs. 15.5 million, excess amount spent on CSR activities in the previous three Financial Years. Therefore, the amount to be spent after considering set-off was Rs. 76.8 million. Hence, the excess amount spent for FY is Rs. 9.6 million.*

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	**Preceding Financial Year(s)**	**Amount transferred to Unspent CSR Account under sub- section (6) of Section 135 (in Rs.)**	**Balance Amount in Unspent CSR Account under sub- section (6) of Section 135 (in Rs.)**	**Amount Spent in the Financial Year (in Rs)**	**Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of Section 135, if any**		**Amount remaining to be spent in succeeding Financial Years (in Rs)**	**Deficiency, if any**
					Amount (in Rs)	**Date of Transfer**		
1	2022-23							
2	2021-22	NA						
3	2020-21							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

If Yes, enter the number of Capital assets created/ acquired: **Not applicable**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	**Short particulars of the property or asset(s) [including complete address and location of the property]**	**Pincode of the property or asset(s)**	**Date of creation**	**Amount of CSR amount spent**	**Details of entity/ Authority / beneficiary of the registered owner**		
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**		
					CSR Registration Number, if applicable	**Name**	**Registered address**
NOT APPLICABLE							

Emcure Pharmaceuticals Limited
Registered Office: Plot No. P-1 & P-2, IT-BT Park, Phase-II, M.I.D.C., Hinjawadi, Pune - 411057, Maharashtra, India
Phone Nos.: +91 20 – 35070033/ 35070000 **Fax No.:** +91 20 3507 0060
E-mail: corporate@emcure.com **Website:** www.emcure.com **CIN:** U24231PN1981PLC024251

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: **Not Applicable**

For and on behalf of Board of Directors
EMCURE PHARMACEUTICALS LIMITED

EMCURE PHARMACEUTICALS LTD.

	Sd/-	**Sd/-**
Date: May 27, 2024	**SUNIL MEHTA**	**VIJAY GOKHALE**
Place: Pune	**CHAIRMAN**	**MEMBER CSR COMMITTEE &**
	CSR COMMITTEE	**INDEPENDENT DIRECTOR**
	DIN: 00118469	**DIN: 09134089**

Annexure- VI to Board's Report

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

A. Conservation of Energy

i) Steps taken or impact on conservation of energy: Energy conservation continues to be a top priority for the Company. Consumption of the energy is monitored.

Specific Energy conservation measures undertaken by the Company are as follows:

1. Centralized boiler plant Hinjewadi:
    - Condensate water system installed leading to yearly savings of Rs. 2.07 Lakhs p.a. (OSD Plant Hinjewadi).
2. OSD Utility:
    - Auto Tube cleaning system installed for 600 and 500 Tr system leading to annual savings of approx. Rs 24 Lacs.
    - DG Stack monitoring now scheduled with weekly DG load trials leading to savings of about 500 Ltrs of High Spped Diesel (OSD Plant Hinjewadi).
3. RO reject water used in cooling tower - 510 KL (Jammu Plant).
4. Variable frequency drive installed for boiler ID fan helping the plant to save about 540 KWH / per day (Mehsana Plant).
5. Variable frequency drives installed at Visnagar Plant, helping to save about 230 KWH / day leading to annual cost savings of about Rs. 7.30 Lakhs / Year.
6. R. O. Plant Flushing water feed given to ETP treated water, helping to save Rs 6.42 Lakhs) (Kurkumbh Plant)

ii) **The steps taken by the company for utilising alternate sources of energy:** The Company continues to evaluate and explore alternate sources of energy. Third party power (open access power) started for OSD Hinjewadi & Kurkumbh.

iii) **The capital investment on energy conservation equipment's:** Capital investment of Rs. 11.88 million was made on energy conservation equipment's.

B. Technology Absorption:

i) **Efforts, in brief, made towards technology absorption:**

Research & Development ("R&D") as its core strength, has indulged into research of newer ways to deliver molecules for effective actions. In effort, new products and formulations for newer applications were developed through comparative bio-availability and bioequivalence studies at R&D activity.

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R&D is working vigorously for development of novel drug delivery system like liposomal delivery (lifesaving drugs), peptide drug delivery, depot formulations (lifesaving drugs), nanoparticles, lipid complex and micro-emulsion. Some of the products like Amphotericin B liposomal delivery have been successfully approved and commercialized for domestic as well as regulated market. First ever approval and commercialization of Aviptadil injection for the treatment of severe Covid-19 with acute respiratory distress syndrome in the domestic market is a major breakthrough in terms of peptide drug delivery.

Emcure has successfully formulated various lyophilized drug formulations and also extended its arms in the development of Ready-to-use liquid formulation (Bortezomib, Gemcitabine, Carmustine, Pemetrexed, etc.) as an alternative to lyophilized formulation, ready-to-use infusion bags (Foscarnet, Ferric carboxy maltose) as an alternative to concentrated liquid formulation and Transdermal Drug delivery system. Moreover, we have broadened our research field and entered into depot injection (long acting microspheres). Novel research is ongoing in safety & efficacy enhancement for cytotoxic drug product. Along these lines, novel dosage forms and delivery systems have been developed to advance the clinical effectiveness of medications, lessen their toxicity, and enhance patient compliance. Moreover, novel drug-delivery systems extraordinarily increase the life cycle of our new therapeutic moieties. Emcure have huge experience of complex manufacturing (Complex Formulations) with below enlisted complex products such as Liposomes (Amphotericin, Doxorubicin, Bupivacaine), Depot formulations (Octreotide, Leuprolide, Risperidone), Emulsions (Propofol, Phytonadione), Nano particles (Paclitaxel), Pre filled syringes (Enoxaparin), Suspensions (Triamcinolone, Methylprednisolone) etc. R&D has also worked on many more complex injectable products for Co-development with some of the company, highlights of co-development project is RTU formulation of Lurbinectidine and Depot formulation of Octreotide.

The R&D scientists have done remarkable efforts to commercialised oral solid as well as liquid dosage form to cater therapeutic need of various patient's pool. Some of the major examples are powder for oral suspension, oral solution/suspension, Pellets in capsules, paediatric dosage forms. These developed dosage forms offer various advantages, including ease of administration, stability, extended release options, cost effectiveness and consistent dosing. As a result, oral solid dosage forms significantly impacted the quality of life and healthcare outcomes for individuals across the globe.

The benefits derived like product improvement, cost reduction, product development or import substitution:

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As a part of continuous improvements for adopting betterment of complex drug formulations which have lengthy procedure, we at Emcure, adopted automated skid technology from lengthy traditional process for complex molecule formulation with a simplified automated technology for Amphotericin B liposome, Propofol Emulsion, Bupivacaine Liposome and Doxorubicin liposome formulation for better consistency of the formulation.

Advancing day to day manufacturing operations by implementing advanced machinery for better precision, capacity and efficiency, improving raw material quality, enhancing process control and adopting better quality assurance practices. Process simplification were done by adopting modular and flexible manufacturing systems, which allow for easier scalability and adaptation to new and existing commercial products.

Continued implementation of technology has yielded in product improvement and cost reduction, with respect to standardized analytical methods. Some of the benefits of these efforts reflected in better quality and stability of products. E.g. Extractable, leachable studies and characterisation studies of complex injectable generics have been established with in-house techniques to avoid dependence on outsourced parties as well as reduce the cost of development.

In API R&D multiple complex products has been initiated and developed. Products like Adagrasib, Avibactum has been developed and several others are in the pipeline. In addition to new product development R&D has worked on incorporation of new technologies. Various stages of different APIs are being developed in flow chemistry. Difficult reactions that need -78 °C for transformations are resource intensive. R&D has successfully transformed such reactions to milder conditions using flow chemistry so that these reactions are easier to implement at plant scale. Various anti-viral products such as Doravirin, Dolutagravir has been developed on flow chemistry. R&D has significantly invested in the development of peptide generic drugs. Over the year solution phase and manual-solid-phase processes has been developed for different oncology and non-oncology APIs. Successful validation of high-volume API is also a highlight of last year. Amiodarone HCl, Buspirone HCl and Hydroxyzine HCl has been validated and filed in regulated markets. Multiple cost improvement projects have been initiated and executed. Products like Promethazine, Dolutagravir has been executed at plant scale. For Emcure to be self-reliant back integration of starting materials for Leflunomide and Flecanide has also been executed at plant scale.

Year-on-year API R&D has worked on adaptation of newer technologies in API development to improve cost and ensure quality of products Emcure delivers to the patients across the globe.

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ii) **In case of imported technology (imported during the last three years reckoned from the beginning of thc financial year):**

No technology has been imported by the Company during the last 3 years.

iii) **The expenditure incurred on Research and Development:**

(Rs. in million)

Particulars (Standalone)	**FY 2023-24**	**FY 2022-23**
Capital	86.05	56.18
Revenue	1,692.92	1,604.73
Total	1,778.97	1,660.91
Total R&D Expenditure as % of gross turnover	5.09%	5.35%

C. **Foreign Exchange earnings and outgo:**

(Rs. in million)

Particulars	**FY 2023-24**	**FY 2022-23**
Foreign Exchange Earnings	14,900.16	11,679.99
Foreign Exchange Outgo	2,519.46	1,788.39

For and on behalf of the Board of Directors
EMCURE PHARMACEUTICALS LIMITED

EMCURE PHARMACEUTICALS LTD.

Date: May 27, 2024
Place: Pune

BERJIS DESAI
CHAIRMAN
DIN: 00153675

SVD & Associates
Company Secretaries

503, Ashok Sankul - II, Range Hill Road, Pune - 411 007
Ph. : 8484035465, E-mail: cs@svdandassociates.com
Website: www.svdandassociates.com

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2024

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

To,
The Members,
Emcure Pharmaceuticals Limited,
Plot No. P-1 & P-2, IT-BT Park, Phase-II, M.I.D.C.,
Hinjawadi, Pune - 411057

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Emcure Pharmaceuticals Limited** bearing CIN: U24231PN1981PLC024251 (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2024** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

(i) The Companies Act, 2013, as amended from time to time (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder to the extent applicable considering the proposed Initial Public Offer (IPO) of the Company;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of the securities held in dematerialized form;

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

(v) None of the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are applicable to the Company, except the following Regulations, to the extent applicable considering the proposed Initial Public Offer (IPO) of the Company:-

a. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SBEB Regulations);

b. The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018 (ICDR Regulations); and

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

(vi) The Management has identified and confirmed the Compliances of the following laws as specifically applicable to the Company:-

a. The Drugs and Cosmetics Act, 1940 and rules framed there under
b. The Bio Medical Waste (Management & Handling) Rules, 2016
c. The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954
d. The Narcotic Drugs and Psychotropic Substances Act, 1985
e. The Essential Commodities Act, 1955 and the Drug and Price Control Order, 2013
f. The Petroleum Act, 1934
g. The Food Safety and Standards Act, 2006
h. The Patents Act, 1970
i. The Trade Marks Act, 1999
j. The Indian Copyright Act, 1957

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by 'The Institute of Company Secretaries of India'.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and in case of shorter notice, the meeting is convened with necessary quorum and in presence of Independent Director 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.

SVD & Associates Pune

All decisions at Board, Committee Meetings and decisions through circular resolutions are carried out with requisite majority, as recorded in the minutes of the meetings of the Board of Directors or Committee 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. except following:

1. At the 42nd Annual General Meeting held on July 10, 2023, Special Resolutions were passed for:

   a) Revision in the structure of remuneration payable to Mrs. Namita Thapar (DIN: 05318899), Whole-Time Director, with effect from FY 2023-24, for the remaining tenure;

   b) Re-appointment of Mr. Palamadai Sundararajan Jayakumar (DIN: 01173236) as an Independent Director.

2. At the Extra Ordinary General Meeting held on December 11, 2023, Special Resolutions were passed for following items:

   a) Adoption of new set of Articles of Association (AOA) of the Company to conform to the requirements and directions provided by Securities Exchange Board of India (SEBI) and relevant Stock exchanges prior to filing of Draft Red Herring Prospectus (DRHP);

   b) Adoption of amendments to the Emcure – Employee Stock Option Scheme 2013 (ESOS 2013) to ensure that the scheme is in compliance with the applicable SBEB Regulations;

   c) Approval of the Initial Public Offer of Equity Shares of the Company through a Fresh Issue and Offer for Sale of Equity Shares by the Company.

3. On March 07, 2024, the Board allotted 3,00,000 equity shares at face value of Rs. 10/- each fully paid for cash to Mr. Vikas Thapar, President Corporate Development, Strategy & Finance in accordance with ESOS 2013

4. The Board of Directors in its meeting dated August 21, 2023, accorded approval for:

   a. Dissolution of Emcure Pharma Panama Inc. and

   b. Incorporation of and investment in a subsidiary in Dominic Republic.

5. The Board of Directors in its meeting dated October 09, 2023, accorded approval for acquisition of Group of Canadian entities through a Special Purpose Vehicle which was proposed to be incorporated as a Wholly Owned Subsidiary (WOS) of Marcan Pharmaceuticals Inc. (Marcan), a WOS of the Company.

SVD & Associates Pune

6. The Board of Directors of the Company approved the Draft Red Herring Prospectus (DRHP) for the Initial Public Offer of Equity Shares of the Company in the IPO Committee meeting held on December 16, 2023 and the same was filed with The Securities and Exchange Board of India on December 17, 2023 pursuant to the provisions of SEBI (Issue of Capital and Disclosure requirements) Regulations, 2018 and for listing on BSE Limited and National Stock Exchange of India Limited

For **SVD & Associates**
Company Secretaries

Sheetal S. Joshi
Partner
FCS No: 10480
CP No: 11635
Peer review No.669/2020
UDIN: F010480F000418679

Place: Pune
Date: May 27, 2024

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as **Annexure A** and forms an integral part of this report.

'ANNEXURE A'

To,
Members,
Emcure Pharmaceuticals Limited,
Plot No. P-1 & P-2, IT-BT Park, Phase-II, M.I.D.C.,
Hinjawadi, Pune – 411057

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

4. We have physically verified the documents and evidences and also relied on data provided through electronic mode to us.

5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

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.

7. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company

For **SVD & Associates**
Company Secretaries

Sheetal S. Joshi
Partner
FCS No: 10480
CP No: 11635
Peer review No.669/2020
UDIN: F010480F000418679
Place: Pune
Date: May 27, 2024

B S R & Co. LLP
Chartered Accountants

8th floor, Business Plaza
Westin Hotel Campus
36/3-B, Koregaon Park Annex
Mundhwa Road, Ghorpadi
Pune - 411 001, India
Telephone: +91 (20) 6747 7300
Fax: +91 (20) 6747 7100

Independent Auditor's Report

To the Members of Emcure Pharmaceuticals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Emcure Pharmaceuticals Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

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

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

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

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office:
14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our

B S R & Co. LLP 8th Floor, Business Plaza Westin Hotel Campus 36/3-B, Koregaon Park Annexe Mundhwa Road, Ghorpadi Pune-411001 India Chartered Accountants knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2024, received on 01 April 2024, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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

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

a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements - Refer Note 41 to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 54(vi) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 54(vii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. With reference to the dividend declared or paid during the year by the Company incorporated in India:

   The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

   The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it apples to payment of dividend.

f. Based on our examination which included test checks, except for instances mentioned below, the Company has used accounting software for maintaining its books of account which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the respective software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.
   i. The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining all books of accounts.
   ii. The feature of recording audit trail (edit log) facility was not enabled for certain fields and tables at the application layer of the accounting software used for maintaining books of accounts relating to Revenue and Receivables, Inventory, Property, plant and equipments, Purchase and payables.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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

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

Abhishek

Abhishek
Partner
Membership No.: 062343
ICAI UDIN:24062343BKEWJT2141

Place: Pune
Date: 27 May 2024

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Emcure Pharmaceuticals Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year.For goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in, provided security or granted any advances in the nature of loans to companies, firms, limited liability partnership or any other parties during the year. The Company has granted loan and provided guarantee to Companies during the year in respect of which the requisite information is as below.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans or stood guarantee, to any other entity as below:

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Emcure Pharmaceuticals Limited for the year ended 31 March 2024 *(Continued)*

Particulars	Guarantees (INR million)	Loans (INR million)
Aggregate amount during the year		
Subsidiaries*	2,893.41	57.39
Others	3,078.17	Nil
Balance outstanding as at balance sheet date		
Subsidiaries*	7,145.11	342.58
Others*	7,665.17	Nil

**As per the Companies Act, 2013*

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the the terms and conditions of the grant of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the loans given to subsidiaries viz. Emcure Pharma Philippines Inc & Emcure Pharma Chile SpA amounting to INR 24.57 million & INR 32.82 million respectively are repayable on demand. As informed to us, the Company has not demanded repayment of these loans during the year. Thus, there has been no default on the part of the party to whom the money has been lent. The payment of interest has been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except for the loan as reported in para iii (c) above. As informed to us, the Company has not demanded repayment of the loan during the year. Thus, there is no overdue amount for more than ninety days in respect of loans given. The payment of interest has been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans or advances in the nature of loans to its Promoters and related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Emcure Pharmaceuticals Limited for the year ended 31 March 2024 *(Continued)*

	Promoters (INR million)	**Related Parties (INR million)**
Aggregate of loans/advances in nature of loan - Repayable on demand (A) - Agreement does not specify any terms or period of Repayment (B)	Nil	57.39
Total (A+B)	Nil	57.39
Percentage of loans/advances in nature of loan to the total loans	Nil	100%

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

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

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

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Emcure Pharmaceuticals Limited for the year ended 31 March 2024 *(Continued)*

Name of the statute	Nature of the dues	Amount (Rs. million)	Paid under protest (Rs. million)	Period to which the amount relates	Forum where dispute is pending
Orissa Entry Tax Act, 1999	Entry Tax	1.15	0.34	2005-06 & 2006-07	Cuttack Sales Tax Tribunal
The Telengana Value Added Tax Act, 2005	Value Added Tax	0.20	0.11	Jun 2014 to Mar 2016	Telangana Appelate Tribunal
The Tamilnadu Value Added Tax Act, 2006	Value Added Tax	28.89	Nil	FY 2014-15	Tamilnadu Sales Tax Appellate Tribunal
The Tamilnadu Value Added Tax Act, 2006	Value Added Tax	49.07	Nil	FY 2015-16	Tamilnadu Sales Tax Appellate Tribunal
The Gujarat Value Added Tax Act, 2003	Value Added Tax	0.09	0.02	FY 2017-18	Deputy Commissioner (Appeals)
MaharashtraValue Added Tax Act, 2002	Value Added Tax	1.96	1.01	FY 2017-18	Joint Commissioner of State Tax - Appeal I
Central Sales Tax Act, 1956	Central Sales Tax	0.41	0.39	FY 2017-18	Joint Commissioner of State Tax - Appeal I
The Goods and Service Tax Act, 2017	Goods and Service Tax - Gujarat	2.86	0.26	FY 2017-18	Commissioner Appeals
Customs Act, 1962	Custom duty	1.79	0.04	FY 2017-18	Commissioner of Customs (Appeals)
The Goods and Service Tax Act, 2017	Goods and Service Tax - Gujarat	44.55	2.19	FY 2018-19 & 2019-20	Commissioner Appeals CGST
The Goods and	Goods	1.11	0.10	FY 2017-18	Commissione

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Emcure Pharmaceuticals Limited for the year ended 31 March 2024 *(Continued)*

Name of the statute	Nature of the dues	Amount (Rs. million)	Paid under protest (Rs. million)	Period to which the amount relates	Forum where dispute is pending
Service Tax Act, 2017	and Service Tax - Rajasthan				r Appeals CGST
The Goods and Service Tax Act, 2017	Goods and Service Tax - Delhi	2.08	0.10	FY 2017-18	Commissioner Appeals SGST
Customs Act, 1962	Customs Duty	1.53	0.10	FY 2018-19	Commissioner of Customs (Appeal), Mumbai
The Goods and Service Tax Act, 2017	Goods and Service Tax - Maharashtra	10.51	Nil	FY 2017-18	GST Tribunal
Income Tax Act, 1961	Income Tax	29.34	29.34*	AY 2011-12 & AY 2012-13	High Court
Income Tax Act, 1961	Income Tax	3.61	0.71	AY 2016-17	Commissioner of Income tax (Appeals)
Income Tax Act, 1961	Income Tax	504.14	504.14*	AY 2015-16 to AY 2017-18	Commissioner of Income tax (Appeals)
Income Tax Act, 1961	Income Tax	1,116.89	288.42	AY 2018-19 to AY 2021-22	Commissioner of Income tax (Appeals)

* adjusted by way of Income tax refund

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

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Emcure Pharmaceuticals Limited for the year ended 31 March 2024 *(Continued)*

borrowing or in the payment of interest thereon to any lender.

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

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

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

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act. The Company does not have any Joint Venture or Associate Companies.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act). The Company does not have any Joint Venture or Associate Companies.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

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

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Emcure Pharmaceuticals Limited for the year ended 31 March 2024 *(Continued)*

Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

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

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Abhishek

Abhishek
Partner
Membership No.: 062343
ICAI UDIN:24062343BKEWJT2141

Place: Pune
Date: 27 May 2024

Annexure B to the Independent Auditor's Report on the standalone financial statements of Emcure Pharmaceuticals Limited for the year ended 31 March 2024

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Emcure Pharmaceuticals Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

B S R & Co. LLP Chartered Accountants

Annexure B to the Independent Auditor's Report on the standalone financial statements of Emcure Pharmaceuticals Limited for the year ended 31 March 2024 *(Continued)*

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

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

abhishek

Abhishek

Partner

Membership No.: 062343

ICAI UDIN:24062343BKEWJT2141

Place: Pune

Date: 27 May 2024

EMCURE PHARMACEUTICALS LIMITED
Standalone Balance Sheet as at March 31, 2024

Rs. in million

Particulars	Note	As at 31-Mar-24	As at 31-Mar-23
Assets			
Non-current assets			
Property, plant and equipment	2A	14,288.15	12,295.09
Capital work-in-progress	2B	1,064.03	2,530.96
Right-of-use assets	3	2,620.41	1,645.07
Intangible assets	4	273.84	386.91
Financial assets			
i) Investments	5	6,840.01	6,900.16
ii) Loans	6	418.84	468.87
iii) Other non-current financial assets	7	193.49	177.46
Income tax assets (net)	36	472.93	199.00
Other non-current assets	8	163.27	159.91
Total non- current assets		26,334.97	24,763.43
Current assets			
Inventories	9	7,702.74	7,099.33
Financial assets			
i) Trade receivables	10	11,032.86	10,544.96
ii) Cash and cash equivalents	11A	118.71	1,220.15
iii) Bank balances other than (ii) above	11B	202.51	190.02
iv) Other current financial assets	12	767.60	894.48
Other current assets	13	1,355.67	1,446.11
		21,180.09	21,395.05
Assets classified as held for sale	14	54.24	-
Total current assets		21,234.33	21,395.05
Total assets		47,569.30	46,158.48
Equity and liabilities			
Equity			
Equity share capital	15	1,811.52	1,808.52
Other equity	16	17,539.45	16,610.16
Total equity		19,350.97	18,418.68
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	17	4,382.09	6,006.50
ii) Lease Liabilities	3	1,622.17	947.13
iii) Other non-current financial liabilities	18	388.91	307.62
Provisions	19	234.58	212.82
Deferred tax liabilities (net)	35	289.42	302.41
Total non-current liabilities		6,917.17	7,776.48
Current liabilities			
Financial liabilities			
i) Borrowings	20	9,762.89	10,671.07
ii) Lease Liabilities	3	187.32	101.63
iii) Trade payables	21		
Total outstanding dues of micro and small enterprises		122.48	130.95
Total outstanding dues to others		8,090.23	6,603.41
iv) Other current financial liabilities	22	1,765.62	1,825.29
Other current liabilities	24	927.25	234.55
Provisions	23	245.60	190.62
Income tax liabilities (net)	36	199.77	205.80
Total current liabilities		21,301.16	19,963.32
Total liabilities		28,218.33	27,739.80
Total equity and liabilities		47,569.30	46,158.48

The notes referred to above form an integral part of the standalone financial statements.

As per our report of even date attached.

For B S R & Co. LLP
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek
Abhishek
Partner
Membership No. 062343

Place: Pune
Date: 27-May-2024

For and on behalf of the Board of Directors
Emcure Pharmaceuticals Limited
CIN: U24231PN1981PLC024251

Berjis Desai
Non-executive Director & Chairman
DIN: 00153675

Satish Mehta
Managing Director & CEO
DIN: 00118691

Chetan Sharma
Company Secretary
Membership No. F8352

Tajuddin Shaikh
Chief Financial Officer

Place: Pune
Date: 27-May-2024

EMCURE PHARMACEUTICALS LIMITED

Standalone Statement of Profit and Loss (including other comprehensive income) for the year ended March 31, 2024

Rs. in million

Particulars	Note	Year Ended 31-Mar-24	Year Ended 31-Mar-23
Revenue:			
Revenue from operations	25	34,976.55	31,070.86
Other income	26	1,382.57	1,253.49
Total income		**36,359.12**	**32,324.35**
Expenses:			
Cost of materials consumed	27	10,878.18	9,388.67
Purchases of stock-in-trade		3,768.48	2,603.81
Changes in inventories of finished goods, work-in-progress and stock in trade	28	(1,017.00)	144.46
Employee benefit expenses	29	7,064.10	6,491.78
Depreciation and amortisation expense	31	2,048.32	1,785.24
Finance cost	32	1,660.92	1,668.33
Other expenses	30	9,863.85	8,057.22
Total expenses		**34,266.85**	**30,139.51**
Profit before exceptional items and tax		**2,092.27**	**2,184.84**
Exceptional items	33	93.15	61.46
Profit before tax		**1,999.12**	**2,123.38**
Tax expense	34		
Current tax		385.81	531.03
Deferred tax		4.97	(8.27)
Total tax expenses		**390.78**	**522.76**
Profit for the year		**1,608.34**	**1,600.62**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	44	(5.55)	54.28
Income tax relating to these items	34	1.40	(13.66)
		(4.15)	**40.62**
Items that will be reclassified subsequently to profit or loss			
Changes in the fair value of equity instruments at FVOCI	16	(65.80)	-
Income tax relating to these items	34	16.56	-
		(49.24)	-
Other comprehensive income for the year		**(53.39)**	**40.62**
Total comprehensive income for the year		**1,554.95**	**1,641.24**
Earnings per share:			
Basic	37	8.89	8.85
Diluted	37	8.89	8.85
[Face value per share: Rs.10 (Previous year: Rs.10)]			

The notes referred to above form an integral part of the standalone financial statements.

As per our report of even date attached.

For B S R & Co. LLP
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: 27-May-2024

For and on behalf of the Board of Directors
Emcure Pharmaceuticals Limited
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Berjis Desai
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Managing Director & CEO
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Chetan Sharma
Company Secretary
Membership No. F8352

Tajuddin Shaikh
Chief Financial Officer

Place: Pune
Date: 27-May-2024

EMCURE PHARMACEUTICALS LIMITED
Statement of Changes In Equity for the year ended March 31, 2024

Equity share capital	Note	Rs. in million
As at April 1, 2022		1,808.52
Changes in equity share capital	15	-
As at March 31, 2023		1,808.52

Equity share capital	Note	Rs. in million
As at April 1, 2023		1,808.52
Changes in equity share capital	15	3.00
As at March 31, 2024		1,811.52

Rs. in million

Other equity	Note	Reserves and Surplus						Total
		Capital reserve	Securities premium	Share options outstanding account	General reserve	Retained earnings	Foreign currency monetary item translation reserve	
As at April 1, 2022		-	-	159.23	484.79	14,658.88	13.87	15,316.77
Profit for the year		-	-	-	-	1,600.62	-	1,600.62
Remeasurements of post-employment benefit obligations (net of tax)	16	-	-	-	-	40.62	-	40.62
		-	-	-	-	1,641.24	-	1,641.24
Transactions with owners, recorded directly in equity								
Interim dividend paid on equity Shares	16	-	-	-	-	(180.85)	-	(180.85)
Final dividend on equity shares	16	-	-	-	-	(180.85)	-	(180.85)
		-	-	-	-	(361.70)	-	(361.70)
Others								
Employee share based expense	45	-	-	36.79	-	-	-	36.79
Changes in foreign currency monetary item translation reserve	16	-	-	-	-	-	(5.89)	(5.89)
Options forfeited	16	-	-	(36.04)	36.04	-	-	-
Income tax on above	34	-	-	-	(9.07)	-	(7.98)	(17.05)
		-	-	0.75	26.97	-	(13.87)	13.85
As at March 31, 2023		-	-	159.98	511.76	15,938.42	-	16,610.16

Rs. in million

Other equity	Note	Reserves and Surplus						Total
		Capital reserve	Securities premium	Share options outstanding account	General reserve	Retained earnings	Foreign currency monetary item translation reserve	
As at April 1, 2023		-	-	159.98	511.76	15,938.42	-	16,610.16
Profit for the year		-	-	-	-	1,608.34	-	1,608.34
Remeasurements of post-employment benefit obligations (net of tax)	16	-	-	-	-	(4.15)	-	(4.15)
Changes in the fair value of equity instruments at FVOCI (net of tax)	16					(49.24)	-	(49.24)
		-	-	-	-	1,554.95	-	1,554.95
Transactions with owners, recorded directly in equity								
Interim dividend on equity Shares	16	-	-	-	-	(361.70)	-	(361.70)
Final dividend on equity shares	16	-	-	-	-	(180.85)	-	(180.85)
		-	-	-	-	(542.55)	-	(542.55)
Others								
Employee share based expense	45	-	-	46.08	-	-	-	46.08
Excerise of share options	16	-	98.84	(25.25)	-	-	-	73.59
Options settled during the year	16	-	-	-	(202.36)	-	-	(202.36)
Options forfeited or settled	16	-	-	(17.96)	17.96	-	-	-
Income tax on above	34	-	-	-	(0.42)	-	-	(0.42)
		-	98.84	2.87	(184.82)	-	-	(83.11)
As at March 31, 2024		-	98.84	162.85	326.94	16,950.82	-	17,539.45

Note:
For description of nature and purpose of reserves refer note 16.

The notes referred to above form an integral part of the standalone financial statements.

As per our report of even date attached.

For B S R & Co. LLP
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: 27-May-2024

For and on behalf of the Board of Directors
Emcure Pharmaceuticals Limited
CIN: U24231PN1981PLC024251

Berjis Desai
Non-executive Director & Chairman
DIN: 00153675

Satish Mehta
Managing Director & CEO
DIN: 00118691

Chetan Sharma
Company Secretary
Membership No. F8352

Tajuddin Shaikh
Chief Financial Officer

Place: Pune
Date: 27-May-2024

EMCURE PHARMACEUTICALS LIMITED
Standalone Cash Flow Statement for the year ended March 31, 2024

Rs. In million

Particulars	Year Ended 31-Mar-24	Year Ended 31-Mar-23
Cash flows from operating activities:		
Profit before tax	**1,999.12**	**2,123.38**
Adjustment for:		
Depreciation and amortisation	2,048.32	1,785.24
Unrealised exchange gain	74.18	20.17
Finance costs	1,660.92	1,668.33
Employee share-based expense	38.54	22.68
Interest income from banks and others	(10.56)	(13.37)
Interest income from intercorporate loans	(25.36)	(35.30)
Net gain on loans given to subsidiaries measured at amortised cost	-	(38.71)
Gain on disposal of property, plant and equipment	(72.72)	2.53
Gain on termination of leases	(20.77)	(0.30)
Impairment of investment and loans given to related parties	93.15	-
Dividend income	(530.08)	(319.20)
	5,254.74	**5,215.45**
Working capital adjustments:		
- (Increase) / decrease in inventories	(603.41)	205.09
- (Increase) / decrease in trade receivables	(487.90)	(454.04)
- (Increase) / decrease in other financial assets	97.36	(119.91)
- (Increase) / decrease in other assets	77.38	147.57
- Increase / (decrease) in trade payables	1,478.35	720.67
- Increase / (decrease) in other financial liabilities	145.45	175.12
- Increase / (decrease) in other liabilities	485.19	(3.67)
- Increase / (decrease) in provisions	71.19	12.82
	1,263.61	**683.65**
Cash generated from operating activities	**6,518.35**	**5,899.10**
Income tax paid (net of refunds)	(668.62)	(845.36)
Net cash generated from operating activities (A)	**5,849.73**	**5,053.74**
Cash flows from investing activities		
Acquisition of property, plant and equipment, Leasehold Land and capital work-in-progress	(2,492.55)	(2,716.62)
Acquisition of intangible assets	(42.70)	(91.52)
Proceeds from sale of property, plant and equipment and transfer of Leasehold Land rights	107.58	6.15
Advance received against Assets held for sale	207.51	-
Purchase of shares of subsidiary	(0.01)	(1,252.46)
Intercorporate loans given to subsidiaries	(57.39)	(24.67)
Repayment of intercorporate loans by subsidiaries	23.78	1,051.42
Interest received from banks and others	14.92	7.54
Interest received on loans to subsidiaries	1.37	13.70
Dividend received	530.08	319.20
Term deposit placed	(14.82)	(62.77)
Term deposit matured	11.46	45.67
Net cash used in investing activities (B)	**(1,710.77)**	**(2,704.36)**
Cash flows from financing activities		
Repayment of long-term borrowings (refer footnote 1 below)	(4,433.51)	(2,410.65)
Proceeds from long-term borrowings	2,854.24	3,327.40
Proceeds / (repayment) of short-term borrowings (net)	1,224.95	509.44
Repayment of Lease Liabilities	(317.08)	(188.97)
Payment on account of settlement of Employee stock options (refer note 45)	(202.36)	-
Proceeds from issue of shares	76.59	-
Interest paid (refer footnote 2 below)	(1,537.76)	(1,420.67)
Interim dividend paid	(361.70)	(180.85)
Final dividend paid	(180.85)	(180.85)
Net cash generated used in financing activities (C)	**(2,877.48)**	**(545.15)**
Net increase in cash and cash equivalents (A+B+C)	1,261.48	1,804.23
Cash and cash equivalent as at 1 April (refer below)	(2,130.51)	(3,933.46)
Effect of exchange rate fluctuations on cash and cash equivalent	(20.02)	(1.28)
Cash and cash equivalent as at year end	**(889.05)**	**(2,130.51)**

S R & Co. LLP Chartered Accountants, Pune-411001, India

EMCURE PHARMACEUTICALS LTD. ★ PUNE ★

EMCURE PHARMACEUTICALS LIMITED

Standalone Cash Flow Statement for the year ended March 31, 2024 (continued)

Rs. in million

Components of cash and cash equivalent:	31-Mar-24	31-Mar-23
Cash on hand	0.37	0.38
Balances with bank in current accounts	118.34	1,219.77
Bank overdrafts used for cash management purpose	(1,007.76)	(3,350.66)
Total cash and cash equivalent*	**(889.05)**	**(2,130.51)**

* Cash and cash equivalent includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

Changes in liabilities arising from financing activities	Year Ended 31-Mar-24	Year Ended 31-Mar-23
Borrowings:		
Opening balance	13,368.41	11,664.89
Amount borrowed during the year	2,854.24	3,327.40
Amount repaid during the year	(3,208.56)	(1,901.21)
Others (includes unrealised foreign exchange differences)	123.27	277.33
Closing balance (refer note 17 & 20)	**13,137.36**	**13,368.41**
Interest accrued on borrowings:		
Opening balance	102.61	50.30
Finance cost incurred during the year	1,660.92	1,668.33
Amount paid during the year	(1,537.76)	(1,420.67)
Others (includes borrowing cost capitalised during the year)	(127.03)	(195.35)
Closing balance (refer note 20)	**98.74**	**102.61**

Footnotes to the cash flow statement:

1. This includes prepayment of term loan amounting to Rs. 1,505.42 million (March 31, 2023: Rs. Nil) and swap of loan with other bank amounting to Rs. 354.24 million (March 31, 2023: Rs. Nil)

2. Includes interest expense of Rs. 101.39 million (March 31, 2023: Rs. 117.56 million) which has been capitalised in accordance with Ind AS 23, Borrowing Costs.

3. Refer note 3 for movement in lease liabilities.

4. Standalone Statement of Cash flow has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

The notes referred to above form an integral part of the standalone financial statements.

As per our report of even date attached.

For B S R & Co. LLP
Firm Registration: 101248W/W-100022
Chartered Accountants

abhishek

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: 27-May-2024

For and on behalf of the Board of Directors
Emcure Pharmaceuticals Limited
CIN: U24231PN1981PLC024251

Berjis Desai
Non-executive Director & Chairman
DIN: 00153675

Satish Mehta
Managing Director & CEO
DIN: 00118691

Chetan Sharma
Company Secretary
Membership No. F8352

Tajuddin Shaikh
Chief Financial Officer

Place: Pune
Date: 27-May-2024

1A. General information:

Emcure Pharmaceuticals Limited (hereinafter referred to as "Company") is a Public Limited Company, incorporated and domiciled in India. The Company has its registered office in Pune and is engaged in developing, manufacturing and marketing a broad range of pharmaceutical products globally. The Company's core strength lies in developing and manufacturing differentiated pharmaceutical products in-house, which are commercialised through Company's marketing infrastructure across geographies and business relationships with multi-national pharmaceutical companies.

1B. Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act as amended from time to time.

Details of the Company's accounting policies are included in Note 1C. These policies have been consistently applied to all the years presented, unless otherwise stated.

b) Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All the amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest million, unless otherwise indicated.

c) Basis of Measurement

The standalone financial statements are prepared under the historical cost convention except for the following items:

Items	Measurement Basis
Investment in LLP	Fair value
Equity settled shared based payment options	Fair value
Assets held for sale	Fair value less cost to sell
Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined benefit obligations

d) Use of estimates and judgements

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

EMCURE PHARMACEUTICALS LTD. ★ PUNE ★

Assumptions and estimation uncertainties

Information about assumptions and estimations uncertainties that have a significant risk resulting in a material adjustment in the year ended 31 March 2024 is included in following notes:

Note 1C. c) Useful lives of property, plant, equipment;
Note 1C. d) Useful lives of intangible assets;
Note 3 - measurement of discount rate for initial recognition of ROU and Lease Liability as per IND AS 116
Note 5 - Impairment of investments in subsidiaries
Note 9 - Valuation of inventories
Note 19 & 22 - recognition and measurement of provisions and contingencies : key assumptions about the likelihood and magnitude of an outflow of resources;
Note 35 - recognition of deferred tax assets: availability of future taxable profit against which tax credit can be used;
Note 39 - Impairment of financial instruments
Note 43 - measurement of loans to related parties at amortised cost and interest accrued on these loans; key assumptions for discount rate
Note 44 - measurement of defined benefit obligations: key actuarial assumptions;

e) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Head of Treasury.

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:
- Note 40: Fair value measurements;
- Note 45: Employees stock option plan; and

EMCURE PHARMACEUTICALS LTD. ★ PUNE ★

f) Current versus non current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:
- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current assets / non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:
- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be settled within 12 months after the reporting date; or
- the Company does not have any unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include the current portion of non-current liabilities / non-current financial liabilities. All other liabilities are classified as non-current.

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

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalent. The operating cycle of the Company is less than 12 months.

1C. Material accounting policies

a) Foreign Currency Translation

Transaction in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction. Exchange difference are recognised in statement of profit and loss, except exchange differences arising from the translation of the following item which are recognised directly in other equity:

EMCURE PHARMACEUTICALS LTD. ★ PUNE ★

1C. Material accounting policies (continued)

b) Financial instruments

i. Recognition and initial measurement

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

Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Trade receivables that do not contain a significant financing component are measured at transaction price.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at
- amortised cost; or
- Fair value [either through profit and loss (FVTPL) or through other comprehensive income (FVOCI)]

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:
- The stated policy and objectives for the portfolio and the operation of those policies in practice.
  These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial asset to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of asset;
- How the performance of portfolio is evaluated and reported to the Company's management;
- The risk that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

B S R & Co. LLP Chartered Accountants Pune

EMCURE PHARMACEUTICALS LTD. PUNE

1C. Material accounting policies (continued)

b) Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

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

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

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:
- contingent events that would change the amount and timing of cash flows;
- term that would adjust the contractual rate, including variable interest rate features;
- prepayment and extension features; and
- term that limits the Company's claim to cash flows for specified assets (e.g. non- recourse features).

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at FVOCI	These assets are subsequently measured at fair value. Fair value changes are recognised in other comprehensive income. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. When such asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income / expenses.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

EMCURE PHARMACEUTICALS LTD. ★ PUNE ★

1C. Material accounting policies (continued)

b) Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

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

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

c) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimate costs of dismantling and removing the item and restoring the site on which it is located.

EMCURE PHARMACEUTICALS LTD. ★ PUNE ★

1C. Material accounting policies (continued)

c) Property, plant and equipment (continued)

i. Recognition and measurement (continued)

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separated items (major components) of property, plant and equipment.

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

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefit associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method, and is generally recognised in the statement of profit and loss. Freehold land is not depreciated.

Depreciation is provided on pro-rata basis using the straight-line method over the estimated useful lives of the assets prescribed under Schedule II to the Companies Act 2013 except for vehicles and furnitures and fixtures at leasehold premises. The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimated useful life	Useful life as per schedule II
Leasehold improvements	As per lease term	NA
Building	30 years	30 years
Plant and machinery	3 to 20 years	10 to 20 years
Electrical installation	10 years	10 years
Air handling equipment	15 years	15 years
Computers	3-6 years	3-6 years
Office equipment	5 years	5 years
Furniture and fixtures	10 years	10 years
Vehicles	5 years	8-10 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives represents the period over which the management expects to use these assets.

Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

EMCURE PHARMACEUTICALS LTD. * PUNE *

1C. Material accounting policies (continued)

d) Intangible assets

i. Initial recognition:

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment loses, if any.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefit associated with the expenditure will flow to Company.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual value over their estimated useful lives using straight line method, as is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:

Intangible Asset	Management estimated useful life
Brands acquired	5 to 10 years
Software, license rights	2 to 10 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iv. Intangible Assets under Development

Intangible assets under development are initially recognized at cost. Such intangible assets are subsequently capitalized only if it is probable that the future economic benefit associated with the expenditure will flow to the Company.

v. Impairment

The Company irrespective of whether there is any indication of impairment, tests an intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. The recoverable amount is the higher of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of the intangible asset not yet available for use exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

e) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost on inventories is based on weighted average formula, and includes expenditure incurred in acquiring the inventories, production or conversion cost and other cost incurred in bringing them to their present location and condition. In case of manufactured inventory and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expense.

The net realisable value of work-in- progress is determined with reference to the selling price of related finished products.

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Chartered Accountants

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1C. Material accounting policies (continued)

e) Inventories (continued)

Raw materials, components and other supplies held for use in production of finished products are not written down below cost except in cases where material price have declined and it is estimated that the cost of finished products will exceed their net realizable value.

The comparison of cost and net realizable value is made on an item-by-item basis.

The Company considers various factors like shelf life, ageing of inventory, product discontinuation, price changes and any other factor which impact the Company's business in determining the allowance for obsolete, non-saleable and slow moving inventories. The Company considers the above factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

f) Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit - impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on estimated future cash flows of financial assets have occurred.

Evidence that a financial asset is credit impaired includes the following observed data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being overdue for a period of more than 12 months from the credit term offered to the customer;
- the restructuring of loan or advance by the Company on the terms that the Company would not consider otherwise;
- it is probable that borrower will enter bankruptcy or the financial reorganization;
- the disappearance of active market for a security because of financial difficulties.

In accordance with Ind-AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date, the credit risk has not increased significantly since its original recognition. However, if credit risk has increased significantly, lifetime ECL is used.

ECL impairment loss allowance (or reversal) is recognized in the statement of profit and loss.

When determining whether the credit risk of financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost of effort. This includes both quantitate and qualitative information and analysis based on Company's historical experience and informed credit assessment and including forward - looking information.

The Company assumes that the credit risk on financial assets has increased significantly if it is more than 90 days past due.

The Company considers financial asset to be in default when:
a. The borrower is unlikely to pay its credit obligation to the Company in full, without recourse by the Company to action such as realising security (if any is held); or
b. The financial asset is 360 days or more past due.

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EMCURE PHARMACEUTICALS LTD. PUNE

1C. Material accounting policies (continued)

f) Impairment (continued)

i. Impairment of financial instruments (continued)

Measurement of expected credit loss

Expected credit loss are probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flow that the Company expects to receive).

Presentation of allowance of expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write – off

The Gross carrying amount of financial asset is written off (either partially of full) to the extent that there is no realistic prospect of recovery. This is generally the case when Company determines that the debtor does not have asset or source of income that could generate sufficient cash flows to repay the amount subject to write-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with Company's procedures for recovery of amounts due.

ii. Impairment of non-financial asset

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less cost of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g. central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any Indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss on goodwill is not subsequently reversed.

EMCURE PHARMACEUTICALS LTD. ★ PUNE ★

1C. Material accounting policies (continued)

g) Employee benefits

i. Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Share-based payment transactions

Share-based payment are provided to employees of the Group via the Company's Employees Stock Option Plan ("Emcure ESOS 2013").

The company accounts for the share-based payment transactions as equity settled.

The grant date fair value of equity settled share-based payment awards granted to employees of the Company is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

The Company also grants the options to the employees of it's subsidiaries for which subsidiary does not have an obligation to settle the share based payment transaction. Total expense for such options issued to employees of subsidiary is recognised as investment in the nature of employee stock options issued to employees of subsidiary and corresponding increase in share options outstanding account.

iii. Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iv. Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation result is a potential asset for the Company, the recognised asset is limited to the present value of economic benefit available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

EMCURE PHARMACEUTICALS LTD. ★ PUNE ★

1C. Material accounting policies (continued)

g) Employee benefits (continued)

iv. Defined benefit plan (continued)

When the benefits of the plan are changed or when plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gain and losses on the settlement of a defined benefit plan when the settlement occurs.

v. Other long term employee benefit

The Company's liability in respect of other long-term employee benefits (compensated absences) is the amount of future benefit that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the Projected Unit Credit method. Remeasurement gains or losses are recognised in profit or loss in the period in which they arise.

h) Provisions (other than for employee benefits), Contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax-rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

i. Contingencies

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines, penalties, etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

ii. Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized in the standalone financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefit will arise, the asset and related income are recognized in the period in which the change occurs. A contingent asset is disclosed, where an inflow of economic benefits is probable.

i) Revenue

Sale of goods

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The Company recognises revenue pertaining to each performance obligation when it transfers control over a product to a customer, which is adjusted for expected refunds, which are estimated based on the historical data, adjusted as necessary. The transaction price is also adjusted for the effect of time value of money if the contract includes significant financing component.

EMCURE PHARMACEUTICALS LTD. ★ PUNE ★

1C. Material accounting policies (continued)

i) Revenue (continued)

Sale of goods (continued)

The consideration can be fixed or variable. Where the consideration promised in a contract includes a variable amount, the Company estimates the amount of consideration to which the Company will be entitled in exchange for transferring the promised goods or services to a customer. Variable consideration is only recognised when it is highly probable that a significant reversal will not occur.

The Company recognises refund liability where the Company receives consideration from a customer and expects to refund some or all of that consideration to the customer. The refund liability is measured at the amount of consideration received (or receivable) for which the entity does not expect to be entitled (i.e. amounts not included in the transaction price). The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The provision on account of the expected amount of returns is included in provisions and the right to recover returned goods is included in inventory.

Sales returns and breakage expiry

When a customer has a right to return the product within a given period, the Company has recognised an allowance for returns. The allowance is measured equal to the value of the sales expected to return in the future period. Revenue is adjusted for the expected value of the returns and cost of sales are adjusted for the value of the corresponding goods to be returned.

The Company has an obligation to accept the goods which will expire. The Company has recognised an allowance for the returns due to expiry. The allowance is measured on the basis of historical trend of expiry against the sales occurred in the current and earlier period. Management considers the sales value for the periods which are equivalent to average general shelf life of products. Revenue is adjusted for the expected value of the returns.

Rendering of services (other than sale of technology / know-how, rights and licenses)

Revenue from rendering of services is recognised in statement of profit and loss by reference to percentage completion method. The Company is involved in rendering services related to its products to its customers. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services.

Rendering of services - sale of technology / know-how, rights, licenses and other intangibles

Income from sale of technology / know-how, rights and licenses is recognised in accordance with the terms of the contract with customers when the related performance obligation is completed, or when control is transferred, as applicable.

Profit share revenues

From time to time the Company enters into marketing arrangements with business partners for the sale of its products in certain markets. Under such arrangements, the Company sells its products to the business partners at a price agreed upon in the arrangement and is also entitled to a profit share which is over and above the agreed price. The profit share is dependent on the business partner's ultimate net sale proceeds or net profit, subject to any reductions or adjustments that are required by the terms of the arrangement. Such arrangements typically require the business partner to provide confirmation of units sold and net sales or net profit computations for the products covered under the arrangement.

Revenue amount equal to the base purchase price is recognized in these transactions upon delivery of products to the business partners. An additional amount representing the profit share component is recognized as revenue only to the extent that it is highly probable that a significant reversal will not occur.

At the end of each reporting period, the Company updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Profit share revenue is measured as per the percentage of profit share and computation method, specified in the agreement with business partner.

EMCURE PHARMACEUTICALS LTD. * PUNE *

1C. Material accounting policies (continued)

j) Government grants

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in relation to assets are presented as a reduction to the carrying amount of the related asset. Grants related to income are deducted in reporting the related expense in the statement of profit and loss.

Export entitlements from government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

k) Leases

i. The Company as a lessee

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both 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. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

1C. Material accounting policies (continued)

k) Leases(continued)

ii. The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

l) Recognition of dividend income, interest income or expenses

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income is recognised using effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of financial instrument to:
- The gross carrying amount of the financial assets; or
- The amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

m) Income tax

Income tax expense comprises of current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

i. Current tax

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

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

1C. Material accounting policies (continued)

m) Income tax (continued)

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for -

temporary differences on the initial recognition of assets or liabilities in a transaction that:

(a) is not a business combination and

(b) at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and de taxable differences related to investments in subsidiaries, associates and joint arrangements to the extent that the group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

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

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

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

n) Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

o) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, the Company has made accounting policy choice of recognising fair value of such financial guarantee as finance cost.

p) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

1C. Material accounting policies (continued)

q) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Company are identified as Chief operating decision maker. Refer note 48 for segment information.

r) Earnings per share

The basic earnings per share is computed by dividing the net profit / (loss) after tax attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period.

Diluted earnings per share is computed by dividing the net profit / (loss) after tax attributable to the equity shareholders for the period by the weighted average number of equity and equivalent dilutive equity shares outstanding during the reporting period, except where the results would be anti-dilutive.

s) Exceptional item

In certain instances, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expenses is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financials statements.

t) Cash flow statement

Cash flow from operations are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. For the purpose of cash flow statement bank overdraft that are repayable on demand are considered as cash and cash equivalent as it form an integral part of the company's cash management.

u) Research and development

Revenue expenditure on research and development activities is recognized as expense in the period in which it is incurred.

v) Non-current assets or disposal group held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

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1C. Material accounting policies (continued)

v) Rounding of amounts

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.

1D. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as amended from time to time. There are no such recently issued standards or amendments to the existing standards for which the impact on the special purpose Standalone financial statements is required to be disclosed.

1E. Changes in material accounting polices

The Company adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from April 1, 2023. These amendments did not result in any changes in the accounting policies or the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements

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Notes to the standalone financial statements (continued)
For the year ended March 31, 2024

Rs. in million

Note 2A - Property, plant and equipment	Gross book value					Accumulated depreciation					Net book value
	As at 01-Apr-23	Additions during the year	Disposals during the year	Assets classified as held for sale during the year (refer note 14)	As at 31-Mar-24	As at 01-Apr-23	Charge for the year	Disposals during the year	Assets classified as held for sale during the year (refer note 14)	As at 31-Mar-24	As at 31-Mar-24
Freehold land	29.25	-	-	(14.42)	14.83	-	-	-	-	-	14.83
Leasehold improvements	263.79	15.35	(1.56)	-	277.58	169.71	18.32	(1.56)	-	186.47	91.11
Building	3,981.53	530.02	(15.76)	(44.96)	4,450.83	791.38	149.58	(7.59)	(9.79)	923.58	3,527.25
Plant and machinery	13,289.30	2,401.42	(56.62)	-	15,634.10	5,943.07	1,133.43	(42.15)	-	7,034.35	8,599.75
Electrical installation	958.75	269.96	(9.29)	-	1,219.42	495.13	78.90	(8.21)	-	565.82	653.60
Air handling equipment	1,213.40	239.59	(8.66)	-	1,444.33	568.80	80.04	(5.88)	-	642.96	801.37
Computers	617.31	103.91	(4.61)	-	716.61	431.87	89.39	(4.41)	-	516.85	199.76
Office equipments	136.86	18.19	(0.50)	-	154.55	110.48	11.80	(0.50)	-	121.78	32.77
Furniture and fixtures	413.08	101.40	(5.87)	-	508.61	186.60	39.14	(5.65)	-	220.09	288.52
Vehicles	242.07	20.75	(12.39)	-	250.43	153.21	30.21	(12.18)	-	171.24	79.19
Total	21,145.34	3,700.59	(115.26)	(59.38)	24,671.29	8,850.25	1,630.81	(88.13)	(9.79)	10,383.14	14,288.15
				(49.59)							

Rs. in million

Note 2A - Property, plant and equipment	Gross book value				Accumulated depreciation				Net book value
	As at 01-Apr-22	Additions during the year	Disposals during the year	As at 31-Mar-23	As at 01-Apr-22	Charge for the year	Disposals during the year	As at 31-Mar-23	As at 31-Mar-23
Freehold land	29.25	-	-	29.25	-	-	-	-	29.25
Leasehold improvements	232.08	31.71	-	263.79	157.74	11.97	-	169.71	94.08
Building	3,443.81	537.72	-	3,981.53	660.44	130.94	-	791.38	3,190.15
Plant and machinery	11,682.50	1,634.40	(27.60)	13,289.30	4,967.97	994.69	(19.59)	5,943.07	7,346.23
Electrical installation	771.47	187.75	(0.47)	958.75	437.65	57.95	(0.47)	495.13	463.62
Air handling equipment	1,080.16	133.58	(0.34)	1,213.40	493.62	75.48	(0.30)	568.80	644.60
Computers	537.23	94.98	(14.90)	617.31	370.76	75.82	(14.71)	431.87	185.44
Office equipments	122.76	14.16	(0.06)	136.86	99.90	10.64	(0.06)	110.48	26.38
Furniture and fixtures	349.06	64.44	(0.42)	413.08	155.44	31.51	(0.35)	186.60	226.48
Vehicles	225.18	24.82	(7.93)	242.07	130.66	30.11	(7.56)	153.21	88.86
Total	18,473.50	2,723.56	(51.72)	21,145.34	7,474.18	1,419.11	(43.04)	8,850.25	12,295.09

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Notes to the standalone financial statements (continued)
For the year ended March 31, 2024

Rs. in million

Note 2B - Capital work-in-progress	As at the beginning	Additions during the year	Capitalised during the year	Disposals during the year	As at the end
Year ended March 31, 2024	2,530.96	1,590.39	(3,057.32)	-	1,064.03
Year ended March 31, 2023	2,392.48	2,322.70	(2,184.22)	-	2,530.96

Capital work-in-progress ageing schedule

Rs. in million

March 31, 2024	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	696.94	52.33	1.91	-	751.18
Projects overdue from original planned complet on date	26.74	26.46	21.36	238.29	312.85
Total	723.68	78.79	23.27	238.29	1,064.03

Rs. in million

March 31, 2023	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	1,557.89	280.67	317.72	74.54	2,230.82
Projects overdue from original planned completion date	17.94	11.58	97.33	173.29	300.14
Total	1,575.83	292.25	415.05	247.83	2,530.96

Capital work-in-progress completion schedule

Rs. in million

March 31, 2024	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
New Facility Development at Sanand plant	299.21	-	-	-	299.21
Other miscellaneous projects	13.64	-	-	-	13.64
Total	312.85	-	-	-	312.85

Rs. in million

March 31, 2023	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
New line at Hinjewadi Plant III	-	300.14	-	-	300.14

Footnotes for note 2A and 2B:

1. The capital work in progress at the year end mainly consists of plant and machinery, building and other assets pertaining to various projects / plants, expansion of existing facilities, etc.

2. The borrowing cost capitalised on qualifying assets amounting to Rs. 101.39 million (March 31, 2023: Rs. 117.56 million) have been added to the cost of assets during the year.

3. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is 7.79% p.a. (March 31, 2023 : 6.92% p.a.).

4. Refer note 47 for information on Property, plant and equipment and Capital work-in-progress pledged as security by the company.

5. The company does not have any CWIP projects which are suspended or which have exceeded its cost compared to its original plan.

6. On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised and measured as per the previous GAAP and used that carrying value as the deemed cost of the property, plant and equipment.

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Rs. in million

Note 4 - Intangible assets	Gross book value				Accumulated amortisation				Net book value
	As at 01-Apr-23	Additions during the year	Disposals during the year	As at 31-Mar-24	As at 01-Apr-23	Charge for the year	Disposals during the year	As at 31-Mar-24	As at 31-Mar-24
Brands	1,027.38	-	-	1,027.38	885.12	54.60	-	939.72	87.66
Software	707.17	42.70	(0.27)	749.60	580.77	75.57	(0.27)	656.07	93.53
Licensing rights	196.47	-	-	196.47	78.22	25.60	-	103.82	92.65
Total	1,931.02	42.70	(0.27)	1,973.45	1,544.11	155.77	(0.27)	1,699.61	273.84

Rs. in million

Note 4 - Intangible assets	Gross book value				Accumulated amortisation				Net book value
	As at 01-Apr-22	Additions during the year	Disposals during the year	As at 31-Mar-23	As at 01-Apr-22	Charge for the year	Disposals during the year	As at 31-Mar-23	As at 31-Mar-23
Brands	1,027.38	-	-	1,027.38	769.67	115.45	-	885.12	142.26
Software	616.65	90.52	-	707.17	501.61	79.16	-	580.77	126.40
Licensing rights	195.47	1.00	-	196.47	52.71	25.51	-	78.22	118.25
Total	1,839.50	91.52	-	1,931.02	1,323.99	220.12	-	1,544.11	386.91

Footnote for note 4:
Refer note 47 for information on Intangible assets pledged as security by the company.

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Note 3: Leases - 116

Lease contracts entered by the Company majorly pertains for Land & buildings taken on lease to conduct its business in the ordinary course. The leases typically run for a period of 12 years to 66 years for land and for a period of 18 months to 20 years for remaining assets , with an option to renew the lease after that date. Typically lease payments are renegotiated at the time of renewal. Certain leases have restrictions on further sub-leasing. Information about leases for which the company is lessee is presented as below:

Right-of-use assets

Rs. in million

Particulars	Land	Land & Building	Plant & Machinery	Computers	Total
Balance as at April 1, 2023	842.92	668.74	104.18	29.23	1,645.07
Additions for new leases entered	268.72	669.55	-	322.46	1,260.73
Deletions for leases terminated	(18.72)	(4.93)	-	-	(23.65)
Depreciation charge for the year	(17.33)	(159.86)	(7.96)	(76.59)	(261.74)
Balance as at March 31, 2024	1,075.59	1,173.50	96.22	275.10	2,620.41

Rs. in million

Particulars	Land	Land & Building	Plant & Machinery	Computers	Total
Balance as at April 1, 2022	839.98	565.37	112.14	41.30	1,558.79
Additions for new leases entered	19.15	218.29	-	-	237.44
Deletions for leases terminated	-	(5.15)	-	-	(5.15)
Depreciation charge for the year	(16.21)	(109.77)	(7.96)	(12.07)	(146.01)
Balance as at March 31, 2023	842.92	668.74	104.18	29.23	1,645.07

Lease Liabilities

Rs. in million

Particulars	31-Mar-24	31-Mar-23
Balance as at the beginning	1,048.76	915.08
Additions for new leases entered	967.59	237.44
Deletions for leases terminated	(32.04)	(5.46)
Interest on lease liabilities	142.26	90.67
Repayment of lease liabilities	(317.08)	(188.97)
Balance as at the end	1,809.49	1,048.76
Current	187.32	101.63
Non-current	1,622.17	947.13

Maturity analysis - contractual undiscounted cash flows-

Rs. in million

Particulars	31-Mar-24	31-Mar-23
Less than one year	343.15	191.45
One to five years	1,076.25	566.61
More than five years	1,463.51	973.55
Total undiscounted lease liabilities as at year end	2,882.91	1,731.61

Amount recognised in statement of Profit or Loss

Rs. in million

Particulars	31-Mar-24	31-Mar-23
Interest on lease liabilities	142.26	90.67
Depreciation on ROU	261.74	146.01
Expenses relating to short term leases	3.72	2.42
Expenses relating to leases of low value assets, excluding leases of low value assets	3.32	4.13
Total	411.04	243.23

Amounts recognised in statement of cash flow

Cash flow from financing activities

Rs. in million

Particulars	31-Mar-24	31-Mar-23
Repayment of Lease Liabilities		
- Principal	(174.82)	(98.30)
- Interest	(142.26)	(90.67)

The weighted average incremental borrowing rate of 9.72% p.a (March 31, 2023 : 9.49% p.a) has been applied to lease liabilities recognised in the balance sheet.

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Note 5	Number of shares/ units		Rs. In million	
Non-current Investments	**31-Mar-24**	**31-Mar-23**	**31-Mar-24**	**31-Mar-23**
Investment in equity instruments:				
Unquoted (Valued at cost unless otherwise stated)				
Investments in subsidiaries				
Investments in Zuventus Healthcare Limited				
Fully paid equity shares of Rs. 10 each	15,960,000	15,960,000	71.82	71.82
Equity contribution in the nature of employee stock options issued to employees of subsidiary			1.83	1.83
			73.65	73.65
Investments in Gennova Biopharmaceuticals Limited				
Fully paid equity shares of Rs. 10 each	4,847,500	4,847,500	48.48	48.48
Equity contribution in the nature of employee stock options issued to employees of subsidiary			12.92	12.03
			61.40	60.51
Investments in Emcure Nigeria Limited				
Fully paid equity shares of Naira 1 each	5,836,841	5,836,841	1.90	1.90
			1.90	1.90
Investments in Emcure Pharmaceuticals Mena FZ-LLC				
Fully paid equity shares of AED 1000 each	16,100	16,100	322.44	322.44
Equity contribution in the nature of employee stock options issued to employees of subsidiary			34.12	34.12
			356.56	356.56
Investments in Emcure Pharmaceuticals South Africa (Pty) Ltd				
Fully paid equity shares of ZAR 1 each	36,100,100	36,100,100	178.76	178.76
			178.76	178.76
Investments in Emcure Pharma UK Ltd.				
Fully paid equity shares of GBP 1 each	32,765,000	32,765,000	3,110.08	3,110.08
Equity contribution in the nature of employee stock options issued to employees of subsidiary			3.67	3.67
			3,113.75	3,113.75
Investments in Emcure Brasil Farmaceutica LTDA				
Fully paid equity shares of Real 1 each	4,642,499	4,642,499	122.55	122.55
Equity contribution in the nature of employee stock options issued to employees of subsidiary			1.18	1.18
			123.73	123.73
Investments in Emcure Pharma Mexico S.A. De C.V.				
Fully paid equity shares	49,999	49,999	0.21	0.21
			0.21	0.21
Investments in Emcure Pharma Peru S.A.C				
Fully paid equity shares of Sol 1 each	1,974,717	1,974,717	41.07	41.07
			41.07	41.07
Investments in Marcan Pharmaceuticals Inc.				
Fully paid equity shares of CAD 1 each	43,785,001	43,785,001	2,483.54	2,483.54
Equity contribution in the nature of employee stock options issued to employees of subsidiary			45.10	39.33
			2,528.64	2,522.87
Investments in Emcure Pharmaceuticals Pty Ltd				
Fully paid equity shares of AUD 1 each	1,000,000	1,000,000	48.72	48.72
			48.72	48.72
Investments in Emcure Pharma Chile SpA				
Capital contribution	100.00%	100.00%	35.62	35.62
			35.62	35.62

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Note 5	Number of shares/ units		Rs. in million	
Non-current investments (continued)	**31-Mar-24**	**31-Mar-23**	**31-Mar-24**	**31-Mar-23**
Investment in equity instruments:				
Unquoted (Valued at cost unless otherwise stated)				
Investments in subsidiaries (continued)				
Investments in Lazor Pharmaceuticals Ltd., Kenya				
Fully paid ordinary shares of KES 100 each	1,244,950	1,244,950	52.85	52.85
			52.85	52.85
Investments in Emcure Pharma Philippines Inc				
Fully paid equity shares of Peso 100 each	96,775	96,775	15.11	15.11
			15.11	15.11
Investments in Tillomed Laboratories Limited				
Equity contribution in the nature of employee stock options issued to employees of subsidiary			22.82	21.93
			22.82	21.93
Investments in Tillomed Italia S.R.L				
Equity contribution in the nature of employee stock options issued to employees of subsidiary			2.92	2.92
			2.92	2.92
			6,657.71	**6,650.16**
Investment in LLP:				
Unquoted (Valued at FVOCI)				
ABCD Technologies LLP	4.00%	4.03%	250.00	250.00
			250.00	250.00
Aggregate amount of unquoted investments			6,907.71	**6,900.16**
Less: Provision for diminution in value of investments (refer note 43)			(1.90)	-
Less: Change in fair value of equity instruments (at FVOCI)			(65.80)	-
Value of investments as at Year-end			**6,840.01**	**6,900.16**

Rs. in million

Note 6 Loans	31-Mar-24	31-Mar-23
Unsecured considered good, unless otherwise specified:		
Loans to related parties (refer note 43)	342.58	319.55
Interest accrued on loans to related parties (refer note 43)	167.51	149.32
Less: Provision for impairment on loans to related parties & interest accrued thereon	(91.25)	-
Total	418.84	**468.87**

Break-up of security details	31-Mar-24	31-Mar-23
Loans considered good - Secured	-	-
Loans considered good - Unsecured	418.84	468.87
Loans - credit impaired	91.25	-
Less: Loss allowance	(91.25)	-
Total	**418.84**	**468.87**

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Rs. in million

Note 7 Other non-current financial assets	31-Mar-24	31-Mar-23
Unsecured considered good, unless otherwise specified:		
Term deposits with banks having remaining maturity period of more than 12 months (refer note below)	8.51	22.00
Security deposits	184.98	155.46
Total	193.49	177.46

Footnote: Fixed deposits are held as lien by bank for performance bank guarantees & others (refer note 47).

Rs. in million

Note 8 Other non-current assets	31-Mar-24	31-Mar-23
Unsecured considered good, unless otherwise specified:		
Capital Advances	127.17	83.87
Prepaid expenses	18.86	58.80
Balances with government authorities	17.24	17.24
Total	163.27	159.91

Rs. in million

Note 9 Inventories (valued at lower of cost or net realisable value)	31-Mar-24	31-Mar-23
Raw materials [Includes in transit Rs. 39.90 million (31-Mar-23: Rs. 166.85 million)]	2,303.32	2,766.46
Packing materials [Includes in transit Rs. Nil (31-Mar-23: Rs. 1.42 million)]	689.88	760.16
Work-in-process	2,087.64	1,132.05
Finished goods	730.23	1,301.44
Stock in trade [Includes in transit Rs. 38.38 million (31-Mar-23: Rs. 52.23 million)]	1,232.37	599.75
Stores and spares [Includes in transit Rs. 0.16 million (31-Mar-23: Rs. 3.76 million)]	659.30	539.47
Total	7,702.74	7,099.33

Footnotes:

1. Amounts recognised in standalone statement of profit or loss

Write-downs of inventories as at the year end amounted to Rs. 218.95 million (March 31, 2023: Rs. 185.94 million). Increase/decrease in write-down provision is recognised as an expense during the year and included in cost of materials consumed or changes in inventories of finished goods, work-in-progress and traded goods in statement of profit and loss.

2. Refer note 47 for information on Inventories pledged as security by the Company.

Rs. in million

Note 10 Trade receivables	31-Mar-24	31-Mar-23
Unsecured		
Undisputed receivables - considered good	11,393.79	10,906.16
Disputed receivables - which have significant increase in credit risk	32.65	29.37
Less: Loss allowance	(393.58)	(390.57)
Total	11,032.86	10,544.96

Of the above, trade receivables from related parties are as below

Rs. in million

Particulars	31-Mar-24	31-Mar-23
Total trade receivables from related parties (refer note 43)	4,568.07	5,085.90
Less: Loss allowance	(58.57)	(64.09)
Net trade receivables	4,509.50	5,021.81

Refer note 47 for information on trade receivables pledged as security by the company.

The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 39.

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Break-up of security details and ageing schedule;

Rs. in million

As at March 31, 2024	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed receivables - considered good	6,921.01	2,742.84	1,060.04	171.64	366.42	38.77	11,300.72
Undisputed receivables - which have significant increase in credit risk	-	-	-	-	93.16	-	93.16
Undisputed receivables - credit impaired	-	-	-	-	-	-	-
Disputed receivables - considered good	-	-	-	-	-	-	-
Disputed receivables - which have significant increase in credit risk	-	-	-	-	-	32.65	32.65
Disputed receivables - credit impaired	-	-	-	-	-	-	-
Total	6,921.01	2,742.84	1,060.04	171.64	459.58	71.42	11,426.53
Less: Loss allowance							(393.58)
Total	6,921.01	2,742.84	1,060.04	171.64	459.58	71.42	11,032.95

Rs. in million

As at March 31, 2023	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed receivables - considered good	5,927.07	2,585.81	1,135.71	988.48	28.65	240.44	10,906.16
Undisputed receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed receivables - credit impaired	-	-	-	-	-	-	-
Disputed receivables - considered good	-	-	-	-	-	-	-
Disputed receivables - which have significant increase in credit risk	-	-	-	-	-	29.37	29.37
Disputed receivables - credit impaired	-	-	-	-	-	-	-
Total	5,927.07	2,585.81	1,135.71	988.48	28.65	269.81	10,935.53
Less: Loss allowance							(390.57)
Total	5,927.07	2,585.81	1,135.71	988.48	28.65	269.81	10,544.96

Rs. in million

Note 11A Cash and cash equivalents	31-Mar-24	31-Mar-23
Cash on hand	0.37	0.38
Balances with bank in current accounts	118.34	1,219.77
Total	118.71	1,220.15

Rs. in million

Note 11B Bank balances other than cash and cash equivalents	31-Mar-24	31-Mar-23
Term deposits with banks having initial maturity of more than 3 months but remaining maturity of less than 12 months (refer footnote below)	197.45	180.60
Interest accrued on deposits with bank	5.06	9.42
Total	202.51	190.02

Footnote: Out of above certain fixed deposits are held as lien by bank for performance bank guarantees & others (refer note 47).

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Rs. in million

Note 12 Other current financial assets	31-Mar-24	31-Mar-23
Unsecured considered good, unless otherwise specified:		
Financial guarantee fees receivable from related parties (refer note 43)	118.43	155.99
Other amount due from related parties (refer note 43)	367.88	590.25
Government grant receivable (refer note 53)	155.00	34.05
Other receivable (refer note (a) below)	126.29	114.19
Total	767.60	894.48

Footnotes:

(a) Includes amount receivable from shareholders towards reimbursement of IPO expenses Rs. 4.31 million (March 31, 2023 : 108.35 million).

Rs. in million

Note 13 Other current assets	31-Mar-24	31-Mar-23
Unsecured considered good, unless otherwise specified:		
Advances for supply of goods and services (refer note below)	354.53	468.90
Balances with government authorities	823.53	841.51
Advance to employees	5.20	6.29
Prepaid expenses	172.41	129.41
Total	1,355.67	1,446.11

Footnote:

Includes advance paid to related parties of Rs. Nil (March 31, 2023 : 22.97 million).

Rs. in million

Note 14 Assets classified as held for sale	31-Mar-24	31-Mar-23
Freehold land	14.42	-
Leasehold Land	4.65	-
Building	35.17	-
Total	54.24	-

Footnote:

Pursuant to the Board of Directors' in principle approval, for the sale of two surplus office spaces, at Pune, the Company had classified the written down value of these properties amounting to Rs. 54.24 millions as 'Assets held for sale'. The fair value of such properties as at year ended March 31, 2024 is Rs. 459.36 millions. This is a level 2 measurement as per the fair value hierarchy set out in the fair value measurement disclosure (Note 40). The key inputs under this approach are price per square metre of comparable lots of building in the area of similar location and size.

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For the year ended March 31, 2024

Rs. in million

Note 15 Equity share capital	31-Mar-24		31-Mar-23	
	Number of shares	Value	Number of shares	Value
a. Authorised share capital				
Equity Shares of Rs. 10 each	250,000,000	2,500.00	250,000,000	2,500.00
b. Issued, subscribed and paid up capital*				
Equity Shares of Rs. 10 each	181,152,116	1,811.52	180,852,116	1,808.52

* All issued shares are fully paid up.

c. Reconciliation of the number of the shares outstanding at the beginning and at the end of the year

Rs. in million

Particulars	31-Mar-24		31-Mar-23	
	Number of shares	Value	Number of shares	Value
Equity Shares outstanding at the beginning and at the end of the year	180,852,116	1,808.52	180,852,116	1,808.52
Exercise of options - proceeds received	300,000	3.00	-	-
Equity Shares outstanding at the end of the year	**181,152,116**	**1,811.52**	**180,852,116**	**1,808.52**

The Company has also issued share options to its employees and employees of the subsidiaries, refer note 45.

d. Rights, preferences and restrictions attached to equity shares
The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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.

e. Employee stock options
Terms attached to stock options granted to employees of the Company and subsidiaries are described in note 45 regarding share-based payments.

f. Information regarding shares in the last five years
No shares were issued for consideration other than cash during the period of five years immediately preceding the year ended March 31, 2024. Further the group has not undertaken any buy back of shares during the period of five years immediately preceding the year ended March 31, 2024.

g. Details of equity shares held by Promoters and Shareholders holding more than 5% shares

Particulars	31-Mar-24		31-Mar-23	
	No. of Shares held	% of Shareholding	No. of Shares held	% of Shareholding
Promoters				
Satish Mehta	75,816,748	41.85%	75,816,748	41.92%
Sunil Mehta	2,887,012	1.59%	11,085,012	6.13%
Samit Mehta(1)	13,547,632	7.48%	13,547,632	7.49%
Namita Thapar(1)	6,339,800	3.50%	6,339,800	3.51%
Others				
BC Investments IV Limited	23,673,544	13.07%	23,673,544	13.09%
Sanjay Mehta	3,744,028	2.07%	15,764,028	8.72%
Bhavana Mehta	9,388,288	5.18%	9,388,288	5.19%
Everest Trust(2)	14,520,000	8.02%	-	-
Unity Trust(3)	14,508,000	8.01%	-	-
Total	164,425,052	90.77%	155,615,052	86.05%

(1) Pursuant to Board Resolution dated March 18, 2024, with effect from the date of this resolution, Mrs. Namita Thapar and Mr. Samit Mehta have been designated as the 'Promoters' of the Company.
(2) Equity Shares held by Sanjay Mehta with Sonali Sanjay Mehta, as trustees of Everest Trust.
(3) Equity Shares held by Sunil Mehta with Kamini Sunil Mehta, as trustees of Unity Trust.

h. Percentage change in shares held by promoters

Particulars	31-Mar-24	31-Mar-23
Satish Mehta	-0.07%	-
Sunil Mehta	-4.54%	-
Samit Mehta	-0.01%	-
Namita Thapar	-0.01%	-

i. Shares reserved for issue under ESOS, 2013:

Rs. in million

Particulars	31-Mar-24		31-Mar-23	
	Number of shares	Value	Number of shares	Value
Equity shares with face value of Rs. 10 each (refer note 45)				
At an exercise price of Rs. 165.07 per share	230,000	2.30	670,000	6.70
At an exercise price of Rs. 452.57 per share	60,000	0.60	60,000	0.60
At an exercise price of Rs. 465.82 per share	70,000	0.70	160,000	1.60
At an exercise price of Rs. 523.82 per share	90,000	0.90	90,000	0.90
At an exercise price of Rs. 563.82 per share	135,000	1.35	135,000	1.35
At an exercise price of Rs. 862.07 per share	235,000	2.35	255,000	2.55
At an exercise price of Rs. 1000.05 per share	40,000	0.40	40,000	0.40
At an exercise price of Rs. 1008.21 per share	230,000	2.30	250,000	2.50
Total	1,090,000	10.90	1,660,000	16.60

Rs. in million

Note 16 Other equity	Note	31-Mar-24	31-Mar-23
Securities premium	(i)	98.84	-
Share options outstanding account	(ii)	162.85	159.98
General reserve	(iii)	326.94	511.76
Foreign currency monetary item translation reserve	(iv)	-	-
Retained earnings	(v)	16,950.82	15,938.42
Total		17,539.45	16,610.16

Rs. in million

Note to other equity	31-Mar-24	31-Mar-23
i. Securities premium		
Balance as at the beginning of the year	-	-
Add: Excerise of options - proceeds received	73.59	-
Add: Excerise of options - transfer from share options outstanding account	25.25	-
Balance as at the end of the year	**98.84**	-
ii. Share options outstanding account		
Balance as at the beginning of the year	159.98	159.23
Equity contribution in the nature of employee stock options issued to employees of subsidiary	7.54	14.11
Employee share - based expense recognised in statement of profit and loss	38.54	22.68
Less: Options exercised during the year	(25.25)	-
Options forfeited or settled, transferred to general reserve	(17.96)	(36.04)
Balance as at the end of the year	**162.85**	**159.98**
iii. General reserve		
Balance as at the beginning of the year	511.76	484.79
Options forfeited or settled, transferred from share options outstanding account	17.96	36.04
Less: Options settled during the year (refer note 45)	(202.36)	-
Income tax on above items	(0.42)	(9.07)
Balance as at end of the year	**326.94**	**511.76**
iv. Foreign currency monetary item translation reserve		
Balance as at the beginning of the year	-	13.87
Reclassified to statement of profit and loss during the year	-	(5.89)
Income tax on above items	-	(7.98)
Balance as at the end of the year	-	-
v. Retained earnings		
Balance as at the beginning of the year	15,938.42	14,658.88
Profit for the year	1,608.34	1,600.62
Items of other comprehensive income recognised directly in retained earnings	(53.39)	40.62
Dividend (including dividend distribution tax) (refer note below)	(542.55)	(361.70)
Balance as at the end of the year	**16,950.82**	**15,938.42**
Total	**17,539.45**	**16,610.16**

The following dividends were declared and paid by the Company during the year:

Rs. in million

Particulars	31-Mar-24	31-Mar-23
Interim dividend on equity shares (March 31, 2024: Rs. Rs. 2.00 per share, March 31, 2023: Rs. 1.00 per share)	(361.70)	(180.85)
Final dividend on equity shares* (March 31, 2024: Rs. 1.00 per share, March 31, 2023: Rs. 1.00 per share)	(180.85)	(180.85)
Total	(542.55)	(361.70)

* Final dividend paid during the period ended March 31, 2024 is related to dividend proposed for the year ended March 31, 2023. Final dividend paid during the year ended March 31, 2023 is related to dividend proposed for the year ended March 31, 2022.

After the reporting dates the following dividend were proposed by the directors; the dividends have not been recognised as liabilities.

Rs. in million

Particulars	31-Mar-24	31-Mar-23
Final Dividend : Rs. Nil (March 31, 2023 : Rs. 1 per equity share) subject to approval at the annual general meeting	-	180.85

Nature and purpose of other reserves

Securities premium

Securities premium is used to record the premium on issue of shares. The same is utilised in accordance with the provisions of the Companies Act, 2013.

Share options outstanding account

The Company has established equity-settled share-based payment plans for certain categories of employees of the group. Refer note 45 for further details of these plans.

General Reserve

The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

Retained earnings

Retained earnings includes re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss. Retained earnings is a free reserve available to the company.

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Rs. in million

Note 17 Non-current borrowings	31-Mar-24	31-Mar-23
Secured		
Term loans:		
Indian currency loans from banks	757.17	1,538.06
Indian currency loans from others	2,037.47	3,588.93
Foreign currency loans from banks	4,268.21	3,441.62
Vehicle loans	42.14	63.20
	7,104.99	8,631.81
Less: Current maturities of term loans (refer note 20)	(2,617.23)	(2,470.46)
Less: Current maturities of vehicle loans (refer note 20)	(18.87)	(21.06)
Less: Transaction cost attributable to the borrowings	(86.80)	(133.79)
Total	4,382.09	6,006.50

Footnotes:

(a) Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 39.

(h) Security information of outstanding loans is as below;

Rs. in million

Nature of facility	Security offered	31-Mar-24	31-Mar-23
Term Loan	Secured by hypothecation of Property, plant and equipment, Capital work-in-progress, Intangible assets (DMFs and acquired brands) and Second pari passu (hypothecation) charge on current assets of the Company	2,876.56	4,324.05
Term Loan	Secured by hypothecation of Property, plant and equipment and Capital work-in-progress owned by the Company	2,299.91	2,592.58
Term Loan	Secured by hypothecation of Property, plant and equipment, Capital work-in-progress and Second pari passu (hypothecation) charge on current assets of the Company	1,138.41	1,232.55
Term Loan	Secured by hypothecation of Property, plant and equipment and Capital work-in-progress owned by Zuventus Healthcare Limited (a subsidiary of the Company) and Corporate Guarantee of Zuventus Healthcare Limited	747.97	419.43
Vehicle Loan	Secured by vehicles for which loan is availed	42.14	63.20
	Total	7,104.99	8,631.81

Further, refer Note 47 for details of assets pledged as security by the Company.

(c) Repayment terms of borrowings;

31-Mar-24	Repayment terms	Currency	Number of Installments outstanding	Within 1 year	1 to 2 years	2 to 5 years	Above 5 years
Term Loan	16 equal quarterly installments from April 2020 **	INR	1*	40.33	-	-	-
Term Loan	60 monthly installments from December 2019	INR	11	45.83	-	-	-
Term Loan	20 Equal Quarterly Installments from May 2021	INR	8	200.00	200.00	-	-
Term Loan	8 Equal Quarterly Installments from June 2023	INR	4	250.00	63.08	-	-
Term Loan	2 equal installments post completion of original loan tenure	INR	2	15.34	-	-	-
Term Loan	60 monthly installments from August 2019	INR	7	58.33	-	-	-
Term Loan	48 monthly installments from August 2021	INR	17*	53.78	-	-	-
Term Loan	60 monthly installments from April 2021	INR	24	160.00	160.00	-	-
Term Loan	8 Equal Quarterly Installments from January 2024	INR	7	200.00	150.00	-	-
Term Loan	60 monthly installments from October 2023	INR	54	100.00	100.00	250.00	-
Term Loan	13 Quarterly installments starting from August 2024	INR	13	105.00	140.00	255.00	-
Term Loan	8 Quarterly installments starting from October 2023	INR	5	106.25	141.70	-	-
Term Loan	12 equal half yearly installments from September 2020	USD	5	83.40	83.40	41.70	-
Term Loan	12 equal half yearly installments from April 2021	USD	6	264.10	264.10	264.10	-
Term Loan	12 equal half yearly installments from April 2021	USD	6	208.50	208.50	208.50	-
Term Loan	15 Quarterly Installments from September 2023	USD	12	225.20	362.76	550.44	-
Term Loan	12 equal Quarterly Installments from June 2024	EUR	12	501.17	501.17	501.17	-
Vehicle Loan	Monthly installments starting from July 2019	INR	04 to 29	18.87	17.68	5.59	-
	Total			2,636.10	2,392.39	2,076.50	-

31-Mar-23	Repayment terms	Currency	Number of Installments outstanding	Within 1 year	1 to 2 years	2 to 5 years	Above 5 years
Term Loan	48 monthly installments from January 2020 **	INR	12	71.63	-	-	-
Term Loan	16 quarterly installments from January 2021	INR	7	125.00	93.75	-	-
Term Loan	16 equal quarterly installments from April 2018 **	INR	1	53.13	-	-	-
Term Loan	16 equal quarterly installments from April 2020 **	INR	5	121.88	80.95	-	-
Term Loan	60 monthly installments from December 2019	INR	23	50.00	45.83	-	-
Term Loan	20 Equal Quarterly Installments from May 2021	INR	12	200.00	200.00	200.00	-
Term Loan	60 monthly installments from April 2021	INR	36	140.00	140.00	140.00	-
Term Loan	8 Equal Quarterly Installments from June 2023	INR	8	186.92	250.00	63.08	-
Term Loan	2 equal installments post completion of original loan tenure	INR	2	-	15.34	-	-
Term Loan	60 monthly installments from August 2019	INR	19	100.00	58.33	-	-
Term Loan	48 monthly installments from August 2021	INR	29	37.96	37.96	15.82	-
Term Loan	28 quarterly ballooning installments from April 2019	INR	9	106.25	141.70	141.70	-
Term Loan	2 equal installments post completion of original loan tenure	INR	2	-	-	29.76	-
Term Loan	60 monthly installments from April 2021	INR	36	160.00	160.00	160.00	-
Term Loan	16 Equal Quarterly Installments from April 2023	INR	16	350.00	350.00	700.00	-
Term Loan	8 Equal Quarterly Installments from January 2024	INR	8	50.00	200.00	150.00	-
Term Loan	48 monthly installments from March 2019 **	USD	2	58.95	-	-	-
Term Loan	12 equal half yearly installments from September 2020	USD	7	82.17	82.17	123.26	-
Term Loan	12 equal half yearly installments from April 2021	USD	8	260.21	260.21	520.41	-
Term Loan	12 equal half yearly installments from April 2021	USD	8	205.43	205.41	410.85	
Term Loan	15 Quarterly Installments from September 2023	USD	15	110.93	221.86	899.76	-
Vehicle Loan	Monthly installments starting from Aug 2017 and ending on Aug 2026	INR	06-41	21.06	18.07	23.27	-
	Total			2,491.52	2,562.38	3,577.91	-

* Installments are prepaid subsequent to reporting date.

** Repayment Terms are further elongated by 6 Months on account of availment of Moratorium based on RBI Guidelines vide no. RBI/2019 20/186.

(d) The long term borrowing facilities are repayable with a range of interest for foreign currency loans in USD at SOFR with spread ranging from 260 bps to 343 bps (March 31, 2023 : 154 bps to 350 bps), foreign currency loan in EURO at ESTR+170 bps. For Rupee loans MCLR, T-bill or MIBOR with various spreads ranging from 50 bps to 204 bps (March 31, 2023 : 65 bps to 359 bps), for Rupee loans LTLR with spread of 1205 bps (March 31, 2023 : 780 bps to 1105 bps) and vehicle loan ranging from 7.20% to 9.35% (March 31, 2023 : 7.20% p.a. to 9.39% p.a).

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Rs. in million

Note 18 Other non-current financial liabilities	31-Mar-24	31-Mar-23
Trade deposits (refer footnote (a) below)	189.17	93.17
Allowance for expected sales returns (refer note 22)	143.57	162.70
Other deposits (refer footnote (b) below)	56.17	51.75
Total	388.91	307.62

Footnotes:
(a) Includes deposit from firm in which directors of the Company are interested - Rs. 10.00 million (March 31, 2023 : Rs. 10.00 million).
(b) Includes deposit from subsidiaries - Rs. 55.45 million (March 31, 2023 : Rs. 51.03 million).

Rs. in million

Note 19 Non-current provisions	31-Mar-24	31-Mar-23
Provision for employee benefits		
Provision for compensated absences	234.58	212.82
Total	234.58	212.82

Rs. in million

Note 20 Current borrowings	31-Mar-24	31-Mar-23
Secured		
Current maturities of term loans (refer note 17)	2,617.23	2,470.46
Current maturities of vehicle loans (refer note 17)	18.87	21.06
Cash credit facilities / bank overdraft repayable on demand from banks	1,007.76	3,350.66
Working capital loans from banks	6,032.37	4,736.60
Interest accrued but not due on borrowings	98.74	102.61
	9,774.97	10,681.39
Unsecured		
Less: Transaction cost attributable to the borrowings	(12.08)	(10.32)
Total	9,762.89	10,671.07

Footnotes:

1. Borrowings from banks are secured by hypothecation of inventories, book debts and receivables (refer note 47). Certain short term borrowings are secured by pledge of 14.57% of shares of Avet Lifescience Private Limited and Corporate guarantee from Avet Lifescience Private Limited.

2. Breakup of working capital is as below; Rs. in million

	31-Mar-24	31-Mar-23
Indian currency working capital loans from banks	3,930.69	4,736.60
Foreign currency working capital loans from banks	2,101.68	-
Total	6,032.37	4,736.60

3. The Cash credit facilities / bank overdraft facilities are repayable on demand and working capital loans are repayable within a year, with a range of interest for foreign currency loans in USD at SOFR+60 bps to SOFR +65 bps and for Rupee loans 7.80% p.a. to 9.55% p.a (March 31, 2023 : foreign currency loans in USD SOFR +70 bps to SOFR +110 bps; foreign currency loans in EURO at EURIBOR + 100 bps and for Rupee loans 7.60% p.a. to 9.30% p.a)

Rs. in million

Note 21 **Trade payables**	31-Mar-24	31-Mar-23
Trade payables to related parties (refer note 43)	1,187.75	990.01
Other trade payables		
Total outstanding dues of micro and small enterprises (refer footnote (c) below)	122.48	130.95
Total outstanding dues of creditors other than micro and small enterprises	6,902.48	5,613.40
Total	**8,212.71**	**6,734.36**

Footnotes:

(a) All trade payables are current.

(b) The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 39.

(c) There are no micro and small enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at year end. Refer note 50, for information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006.

Trade payables ageing schedule;

Rs. in million

As at March 31, 2024	Unbilled dues	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Micro and small enterprises	0.05	122.43	-	-	-	122.48
Others	1,011.46	6,843.78	145.85	74.47	14.67	8,090.23
Disputed dues - Micro and small enterprises	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**1,011.51**	**6,966.21**	**145.85**	**74.47**	**14.67**	**8,212.71**

Rs. in million

As at March 31, 2023	Unbilled dues	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Micro and small enterprises	0.07	130.88				130.95
Others	978.61	5,506.43	90.72	15.57	12.08	6,603.41
Disputed dues - Micro and small enterprises	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**978.68**	**5,637.31**	**90.72**	**15.57**	**12.08**	**6,734.36**

S R & Co. LLP Chartered Accountants Pune

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Rs. in million

Note 22 Other current financial liabilities	31-Mar-24	31-Mar-23
Employee benefits payable	1,154.94	1,182.55
Creditors for capital assets	250.52	327.36
Allowance for expected sales returns (refer footnote (c) below)	308.98	280.70
Other payables (refer note (b) below)	51.18	34.68
Total	1,765.62	1,825.29

Footnote:
(a) The Company's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 39.

(b) Includes amount payable to related parties for commission/interest amounting to Rs. 20.77 million (March 31, 2023 - Rs. 16.77 million). It also includes other claims on the Company as on year end date.

(c) Allowance for anticipated sales returns subsequent to sales

Rs. in million

Particulars	31-Mar-24	31-Mar-23
Beginning of the year	443.40	413.40
Allowance created during the year	686.49	603.42
Allowance utilised during the year	(677.34)	(573.42)
At the end of the year (non-current and current)	452.55	443.40
Current	308.98	280.70
Non-Current	143.57	162.70

Rs. in million

Note 23 Current provisions	31-Mar-24	31-Mar-23
Provision for employee benefits		
Provision for compensated absences	137.43	132.20
Provision for gratuity (refer note 44)	108.17	58.42
Total	245.60	190.62

Rs. in million

Note 24 Other current liabilities	31-Mar-24	31-Mar-23
Statutory dues including provident fund and tax deducted at source	361.69	115.74
Contract liabilities (advances from customers) (refer notes below)	565.56	118.81
Total	927.25	234.55

Footnotes:
(a) For revenue recognized during the year from contract liabilities, refer note 46.

(b) Includes advance received from related parties Rs. 287.48 million (March 31, 2023 : Rs. 48.21 million).

(c) Also includes advance received from cutomers relating to 'Asset Held for Sale' Amounting Rs. 207.51 million (March 31, 2023 : Rs. Nil)

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Rs. in million

Note 25 Revenue from operations*	31-Mar-24	31-Mar-23
Revenue from contracts with customers		
Sale of products	34,440.24	30,453.27
Sale of services	249.54	436.67
	34,689.78	**30,889.94**
Other operating revenue		
Scrap sales	59.98	61.87
Income from Government Grants:		
Income arising from government grant (refer note 53)	153.56	71.70
Export incentives	61.63	29.24
Indirect tax refund received (refer note 51)	11.60	18.11
	286.77	**180.92**
Total	**34,976.55**	**31,070.86**

*Refer note 46 for details of revenue from contract with customers.

Rs. in million

Note 26 Other income	31-Mar-24	31-Mar-23
Interest income under the effective interest method from:		
Banks and others	10.56	13.37
Intercorporate loans	25.36	35.30
Dividend received from subsidiary	530.08	319.20
Profit on sale of property, plant and equipment	72.72	-
Gains on foreign exchange fluctuation (net)	120.21	294.69
Miscellaneous income (refer note below)	623.64	590.93
Total	**1,382.57**	**1,253.49**

Footnote:
Majorly include income from related parties like rent income, corporate cross charge, financial guarantee fees, etc. Refer note 43 for details.

Rs. in million

Note 27 Cost of material consumed	31-Mar-24	31-Mar-23
A: Raw material consumed		
Opening inventory	2,766.46	3,112.92
Add : Purchases (net)	8,861.48	7,779.37
	11,627.94	10,892.29
Less: Closing inventory	2,303.32	2,766.46
Cost of raw materials consumed during the year	9,324.62	8,125.83
B: Packing material consumed		
Opening inventory	760.16	539.96
Add : Purchases (net)	1,483.28	1,483.04
	2,243.44	2,023.00
Less: Closing inventory	689.88	760.16
Cost of packing materials consumed during the year	1,553.56	1,262.84
Total (A+B)	**10,878.18**	**9,388.67**

Rs. in million

Note 28 Changes in inventories of finished goods, work-in-progress and stock in trade	31-Mar-24	31-Mar-23
Opening inventory		
Work-in-process	1,132.05	1,183.87
Finished goods	1,301.44	1,448.01
Stock in trade	599.75	545.82
	3,033.24	3,177.70
Less: Closing inventory		
Work-in-process	2,087.64	1,132.05
Finished goods	730.23	1,301.44
Stock in trade	1,232.37	599.75
	4,050.24	3,033.24
Changes in inventories of finished goods, work-in-progress and stock in trade	**(1,017.00)**	**144.46**

Rs. in million

Note 29 Employee benefit expenses	31-Mar-24	31-Mar-23
Salaries, wages and bonus	6,243.86	5,746.85
Contribution to provident and other funds (refer note 44)	350.80	319.86
Gratuity (refer note 44)	108.64	118.24
Employee share-based payment (refer note 45)	38.54	22.68
Staff welfare expenses	322.26	284.15
Total	**7,064.10**	**6,491.78**

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Rs. in million

Note 30 Other expenses	31-Mar-24	31-Mar-23
Processing charges	443.78	280.11
Factory consumables	822.74	914.78
Power and fuel	887.28	804.08
Insurance	127.88	132.63
Repairs and maintenance	456.74	414.34
Rent (refer note 3)	7.04	6.55
Rates and taxes	70.55	58.70
Freight and forwarding expenses	342.47	385.45
Advertisement and promotional materials	2,614.65	1,508.33
Travelling and conveyance	966.45	920.91
Commission on sales	553.22	419.41
Printing and stationery	83.94	74.28
Legal and professional fees (refer footnote (b) below)	527.73	900.58
Contractual services	375.62	317.47
Payment to auditors (refer footnote (a) below)	11.00	6.28
Commission to non executive directors	20.60	16.60
Directors sitting fees	3.12	2.32
Loss allowance for doubtful debts	21.02	52.74
Bad debts written off	585.13	23.94
Loss on sale of property, plant and equipment	-	2.53
Expenditure towards corporate social responsibility (refer note 52)	86.38	101.19
Miscellaneous expenses	856.51	714.00
Total	**9,863.85**	**8,057.22**

Footnotes

(a) Payment to auditors:

Rs. in million

Particulars	31-Mar-24	31-Mar-23
Audit fees	6.83	5.18
Other services*	3.40	0.69
Out of pocket expenses	0.77	0.41
Total	**11.00**	**6.28**

* Excludes payment to auditors amounting to Rs. 28.24 million (March 31, 2023 - Rs. Nil) towards IPO related services.

(b) Includes consultancy fees paid in relation to HDT matter amounting to Rs. 254.52 million (March 31, 2023: Rs. 87.71 million).

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Rs. in million

Note 31 **Depreciation and amortisation expense**	31-Mar-24	31-Mar-23
Depreciation on property, plant and equipment	1,630.81	1,419.11
Amortisation of intangible assets	155.77	220.12
Depreciation on right-of-use assets	261.74	146.01
Total	**2,048.32**	**1,785.24**

Rs. in million

Note 32 **Finance cost**	31-Mar-24	31-Mar-23
Interest on long-term borrowings measured at amortised cost	737.78	658.94
Interest on short-term borrowings measured at amortised cost	538.34	523.19
Interest on shortfall of advance income tax	2.43	2.21
Interest accrued on lease liabilities	142.26	90.67
Other borrowing costs	156.38	173.29
Exchange differences to the extent regarded as an adjustment to borrowing costs	83.73	220.03
Total	**1,660.92**	**1,668.33**

Rs. in million

Note 33 **Exceptional items**	31-Mar-24	31-Mar-23
Consultancy fees (see footnote (a) below)	-	-
Share issue expenses written off (see footnote (b) below)	-	61.46
Impairment of investment in / loan given to subsidiary (see footnote (c) below)	93.15	-
Total	**93.15**	**61.46**

Footnote:

(a) During the year ended March 31, 2023, share issue expenses were written off in respect of the Company's Proposed Initial Public Offer filed in 2021 (Refer note 57).

(b) During the year, the Company assessed the expected cash flows and the future plans of all its subsidiary Companies and accordingly, recorded provision for impairment of Rs. 1.90 million for investment in Emcure Nigeria Limited ("Nigeria") (March 31, 2023 Rs. Nil). The company also impaired outstanding balance given to Nigeria along with accrued interest amounting to Rs. 91.25 million (March 31, 2023 Rs. Nil).

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For the year ended March 31, 2024

Rs. in million

Note 34 Tax expenses recognised in statement of profit and loss	31-Mar-24	31-Mar-23
Current tax		
Current tax on profits for the year	361.11	510.54
Tax related to prior years	24.70	20.49
Total current tax expense	**385.81**	**531.03**
Deferred tax		
Originating and reversal of temporary differences	29.27	(7.92)
Changes in recognised temporary differences of earlier years	(24.30)	(0.35)
Total deferred tax expense/(benefit)	**4.97**	**(8.27)**
Total	**390.78**	**522.76**

Rs. in million

Tax (expenses)/income recognised in other comprehensive income	31-Mar-24	31-Mar-23
Remeasurements of post-employment benefit obligations	1.40	(13.66)
Changes in the fair value of equity instruments at FVOCI	16.56	-
Total	**17.96**	**(13.66)**

Rs. in million

Tax expense recognised in other equity	31-Mar-24	31-Mar-23
Foreign currency monetary item translation reserve	-	(7.98)
General Reserve	(0.42)	(9.07)
Total	**(0.42)**	**(17.05)**

Rs. in million

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:	31-Mar-24		31-Mar-23	
Profit before tax		1,999.12		2,123.38
Tax using the Company's domestic tax rate of 25.17% (March 31, 2023 : 25.17%)	**25.17%**	**503.14**	**25.17%**	**534.41**
Tax effect of amounts which are not (deductible) / taxable in calculating taxable income.				
Non taxable income	-6.67%	(133.41)	-3.78%	(80.34)
Non deductible expenses	1.11%	22.12	2.27%	48.23
Tax related to prior years	1.24%	24.70	0.96%	20.49
Changes in recognised temporary differences of earlier years	-1.22%	(24.30)	-0.02%	(0.35)
Other items	-0.07%	(1.47)	0.02%	0.32
Effective tax rate	**19.55%**	**390.78**	**24.62%**	**522.76**

Rs. in million

Note 35 Deferred tax assets/(liabilities) - net	31-Mar-24	31-Mar-23
Deferred tax assets:		
Income statement		
Loss allowance - trade receivables	99.05	98.30
Provision - employee benefit	120.90	101.63
Lease Liability	455.41	263.95
Provision for diminution in value of investments	16.56	-
Impairment of assets	23.44	-
Total deferred tax assets	**715.36**	**463.88**
Deferred tax liabilities:		
Property, plant and equipment	554.07	488.01
Intangible assets	32.70	49.08
Right to use asset	418.01	229.20
Total deferred tax liabilities	**1,004.78**	**766.29**
Deferred tax asset/(liability) - net	**(289.42)**	**(302.41)**

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For the year ended March 31, 2024

Note 35: Deferred tax assets/(liabilities) - net (continued)

Rs. in million

Movement of Deferred tax assets / liabilities	Net deferred tax assets/(liabilities) as at 01-Apr-23	Transferred to statement of profit and loss	Transferred to Other comprehensive income	Net deferred tax assets/(liabilities) as at 31-Mar-24
Loss allowance - trade receivables	98.30	0.75	-	99.05
Provision - Employee benefit	101.63	17.87	1.40	120.90
Lease Liability	263.95	191.46	-	455.41
Property, plant and equipment	(488.01)	(66.06)	-	(554.07)
Intangible assets	(49.08)	16.38	-	(32.70)
Right to use asset	(229.20)	(188.81)	-	(418.01)
Impairment of assets	-	23.44	-	23.44
Provision for diminution in value of investments	-	-	16.56	16.56
Total	**(302.41)**	**(4.97)**	**17.96**	**(289.42)**

Rs. in million

Movement of Deferred tax assets / liabilities	Net deferred tax assets/(liabilities) as at 01-Apr-22	Transferred to statement of profit and loss	Transferred to Other comprehensive income	Net deferred tax assets/(liabilities) as at 31-Mar-23
Loss allowance - trade receivables	81.10	17.20	-	98.30
Provision - Employee benefit	119.54	(4.25)	(13.66)	101.63
Lease Liability	230.31	33.64	-	263.95
Loans to subsidiaries	9.74	(9.74)	-	-
Property, plant and equipment	(466.82)	(21.19)	-	(488.01)
Intangible assets	(65.64)	16.56		(49.08)
Right to use asset	(205.25)	(23.95)	-	(229.20)
Total	**(297.02)**	**8.27**	**(13.66)**	**(302.41)**

Unrecognised deferred tax assets

Deferred tax assets have not recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the company can use the benefit therefrom.

Particulars	31-Mar-24	31-Mar-23
Gross amount		
Deductible temporary differences	-	-
Tax losses	60.93	126.46
Total	**60.93**	**126.46**
Unrecognised tax effect		
Deductible temporary differences	-	-
Tax losses	13.94	29.65
Total	**13.94**	**29.65**

Tax losses for which no deferred tax asset was recognised expire as follows;

Particulars	31-Mar-24	31-Mar-23
Expire		
Expiry date : 2023-2024	-	31.19
Expiry date : 2027-2028	60.93	95.27
Never Expire	-	-
Total	**60.93**	**126.46**

Rs. in million

Note 36 Income tax assets/(liabilities) (net)	31-Mar-24	31-Mar-23
Income Tax assets (net of provision)	472.93	199.00
Income Tax liabilities (net of advance tax)	(199.77)	(205.80)
Income Tax assets/(liabilities) (net)	**273.16**	**(6.80)**

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Special purpose Interim Standalone Financial Statements
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Note 37 : Earnings per share

Particulars	31-Mar-24	31-Mar-23
Basic earnings per share		
A. Profit after tax attributable to equity shareholders (Rs. in million)	1,608.34	1,600.62
B. Weighted average number of equity shares for the year	180,872,608	180,852,116
Basic earnings per share (Rs.) (A/B)	**8.89**	**8.85**
Diluted earnings per share		
C. Adjusted net profit for the year (Rs. in million) (refer note below)	1,608.34	1,600.62
Weighted average number of equity shares for the year	180,872,608	180,852,116
Add: Effect of employee stock options*	-	-
D. Weighted average number of equity share (diluted) for the year	180,872,608	180,852,116
Diluted earnings per share (Rs.) (F/G)	**8.89**	**8.85**
Face value per share (Rs.)	**10.00**	**10.00**

Note: Reconciliations of earnings used for calculating diluted earnings per share

Particulars	31-Mar-24	31-Mar-23
Profit attributable to the equity holders of the company used in calculating basic earnings per share:	1,608.34	1,600.62
Add: Employee share-based payment (net of tax)*	-	-
Profit attributable to the equity holders of the company used for calculating diluted earnings per share	**1,608.34**	**1,600.62**

* The effect of conversion of potential equity share for the year ended March 31, 2024 and the year ended March 31, 2023 is excluded, since the impact on earnings per share is anti dilutive.

Note 38 : Capital management

The Company's objectives when managing capital are to;
- Safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholder's and benefits for other stakeholder's, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Generally consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. The Company's strategy is to maintain a gearing ratio less than 1.50x.

The gearing ratio at year end is as follows:

Particulars	31-Mar-24	31-Mar-23
Non-current borrowings	4,382.09	6,006.50
Current borrowings	9,762.89	10,671.07
Gross Debt	**14,144.98**	**16,677.57**
Less: Cash and cash equivalents	(118.71)	(1,220.15)
Less: Term deposits with banks (current and non-current)	(205.96)	(202.60)
Net Debt (A)	**13,820.31**	**15,254.82**
Total Equity (B)	19,350.97	18,418.68
Gearing ratio (A/B)	0.71	0.83

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Note 39 : Financial risk management

The Company is exposed to a variety of financial risks which results from the Company's operating and investing activities. The Company's risk management is carried out by central treasury department under guidance of the board of directors and the core management team of the Company, and it focuses on actively ensuring the minimal impact of Company's financial position. The Company does not have any direct significant exposure on commodities.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the standalone financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, other financial assets measured at amortised cost.	Ageing analysis & credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (Rs.)	Cash flow forecasting Sensitivity analysis	Effective management of foreign exchange outflow and inflow. Borrowing in foreign currency to fulfil foreign currency obligation
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Ongoing review of existing borrowing rates and seeking for new facilities at lower rate.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and other financial assets. Credit risk is managed 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. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables.

Other financial assets that are potentially subject to credit risk consists of cash equivalents, inter corporate loans and deposits.

Further, the Company also recognises loss allowance by using a provision matrix based on historical credit loss experience wherein fixed provision rates are defined for each financial asset which is past due / not due. The Company depending on the diversity of its asset base, uses appropriate groupings if the historical credit loss experience shows significant different loss patterns for different customer segments / financial assets.

Also, the Company limits its exposure to credit risk from receivables by establishing a maximum payment period for customers.

The Company considers the recoverability from financial assets on regular intervals so that such financial assets are received within the due dates.

The Company has exposure to credit risk which is limited to carrying amount of financial assets recognised at the date of Balance sheet.

Trade receivables

Trade receivables are usually due within 7-180 days. Generally, and by practice significant domestic customers enjoy a credit period of approximately 7-45 days and for export customers, the credit period ranges from 30 to 180 days. The receivables are not interest bearing, which is the normal industry practice. All trade receivables are subject to credit risk exposure except for receivables from related parties. However, the Company does not identify specific concentration of credit risk with regard to trade receivables, as the amounts recognized represent a large number of receivables from various customers. Further, majority of the receivables pertains to receivables from Subsidiaries, wherein the concentration of credit risk is considered to be low. Certain receivables are also backed by letter of credit from the banks, resulting into negligible credit risk in recovery of such receivables.

The Company uses a provision matrix (simplified approach) to measure the expected credit loss of trade receivables and other financial assets measured at amortised cost.

The Company's exposure to credit risk for trade receivables, other receivables, loans and contract assets by geographic region was as follows;

	31-Mar-24	31-Mar-23
Within India	12,573.08	12,487.88
Outside India	7,000.94	7,908.22
	19,574.02	20,396.10

Year ended March 31, 2024:

Expected credit loss for trade receivables under simplified approach

Rs. In million

Ageing	Not Due	0-90 days past due	91-180 days past due	181-270 days past due	271-360 days past due	More than 360 days past due	Total
Gross carrying amount	6,921.01	1,880.48	862.36	651.27	408.77	702.64	11,426.53
Weighted-average loss rate (includes interest as well as credit loss)	-1.25%	-1.61%	-2.18%	-2.51%	-4.66%	-31.70%	-3.44%
Expected credit losses (loss allowance provision)	(86.52)	(30.19)	(18.78)	(16.33)	(19.04)	(222.72)	(393.58)
Carrying amount of trade receivables (net of loss allowance)	**6,834.49**	**1,850.29**	**843.58**	**634.94**	**389.73**	**479.92**	**11,032.95**

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Year ended March 31, 2023:
Expected credit loss for trade receivables under simplified approach

Rs. in million

Ageing	Not Due	0-90 days past due	91-180 days past due	181-270 days past due	271-360 days past due	More than 360 days past due	Total
Gross carrying amount	5,927.07	2,000.50	585.31	495.06	640.65	1,286.94	10,935.53
Weighted-average loss rate (includes interest as well as credit loss)	-3.21%	-1.58%	-2.14%	-3.91%	-2.20%	-9.55%	-3.57%
Expected credit losses (loss allowance provision)	(190.01)	(31.61)	(12.51)	(19.36)	(14.12)	(122.96)	(390.57)
Carrying amount of trade receivables (net of loss allowance)	5,737.06	1,968.89	572.80	475.70	626.53	1,163.98	10,544.96

There are no financial assets which have been written off during the year which are subject to enforcement activity.

Reconciliation of loss allowance provision — Trade receivables

Rs. in million

Particulars	31-Mar-24	31-Mar-23
Loss allowance as at the beginning of the year	390.57	322.23
Amounts written off	(585.13)	(23.94)
Net remeasurement of loss allowances	588.14	92.28
Loss allowance as at the end of the year	393.58	390.57

Cash and cash equivalents and deposits with banks:
With respect to the cash and cash equivalents and deposits with banks, the concentration of credit risk is negligible as these are kept with the reputed banks with very high credit worthiness.

Liquidity risk

Liquidity risk management implies maintaining sufficient cash and availability of funds through adequate amount of committed credit facility to meet the commitments arising out of financial liabilities. Due to the dynamic nature of the underlying business, Company maintains flexibility in funding by maintaining availability under committed credit lines. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet future requirements, monitoring balance sheet liquidity ratios against debt covenants and maintaining debt financing plans and ensuring compliance with regulatory requirements.

The Company manages its liquidity needs by carefully monitoring scheduled debt payments as well as cash requirement for day-to-day business. Liquidity needs are monitored regularly as well as on the basis of a 30-day cash flow projection. Long-term liquidity needs for a period from 180 to 360 days period are identified and reviewed at regular intervals.

The Company maintains cash and marketable securities to meet its liquidity requirements. Funding in regards to long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

Financing arrangements
The Company has access to undrawn borrowing facilities including overdraft facility at the end of the reporting period.

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice subject to the continuance of satisfactory credit ratings.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:
- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows of financial liabilities.

Rs. in million

Contractual maturities of financial liabilities	Within 1 year	1 to 2 years	2 to 5 years	Above 5 years	Total
March 31 2024					
Trade payable	8,212.71	-	-	-	8,212.71
Borrowings	9,762.89	2,315.67	2,066.42	-	14,144.98
Lease Liabilities	343.15	302.76	773.49	1,463.51	2,882.91
Trade deposit	-	-	189.17	-	189.17
Other financial liabilities	1,765.62	107.68	92.06	-	1,965.36
Total	**20,084.37**	**2,726.11**	**3,121.14**	**1,463.51**	**27,395.13**
March 31 2023					
Trade payable	6,734.36	-	-	-	6,734.36
Borrowings	10,671.07	2,482.08	3,524.42	-	16,677.57
Lease Liabilities	191.45	171.43	395.18	973.55	1,731.61
Trade deposit	-	-	93.17	-	93.17
Other financial liabilities	1,825.29	122.03	92.42	-	2,039.74
Total	**19,422.17**	**2,775.54**	**4,105.19**	**973.55**	**27,276.45**

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Note 39 : Financial risk management (continued)

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Company's income or the value of it's holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). During the year ended 31 March 2023, the Company undertook amendments to its financial instruments with contractual terms indexed to IBORs such that they incorporate new benchmark rates, e.g., transition from LIBOR to SOFR. As at 31 March 2022, some of the Company's IBOR exposure was indexed to US dollar LIBOR. The alternative reference rate for US dollar LIBOR is the Secured Overnight Financing Rate (SOFR). The Company finished the process of implementing appropriate fallback clauses for all US dollar LIBOR indexed exposures in year ended 31 March 2023. These clauses would automatically switch the instrument from USD LIBOR to SOFR as per the next interest reset dates.

Foreign currency risk

The Company operates in international markets and a significant portion of its business is transacted in different currencies and consequently the group is exposed to foreign exchange risk through its sales and services and imported purchase to/from various countries.

The Company's foreign currency exposure is mainly in USD, EURO, CAD and GBP. The Company's financial liabilities in foreign currency mainly constitutes of bank loans which are repayable over the period of 5 years and trade payables. With sufficient export receivables, the Company has positive net currency asset base as compared to liabilities. Further, the Company receives foreign currency against its exports receivables on regular basis against which the Company pays its loan and import commitments. The Company has significant amount receivable in foreign currency from it's subsidiaries which are generally collected on time. To mitigate the risk arising on account of foreign exchange fluctuation, management closely monitors the cash inflows based on review of expected future movement in foreign currencies.

In million

Foreign currency risk exposure:	Currency	Rs. In million		Foreign Currency	
		31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Financial assets					
Receivables (including other receivables)	EURO	590.40	444.58	6.57	4.98
	USD	5,049.40	4,810.83	60.54	58.55
	GBP	86.09	92.04	0.82	0.91
	CAD	744.65	1,032.96	12.10	17.02
	ZAR	6.30	109.83	1.43	23.77
	Others*	23.20	54.37	1.02	1.53
Loans to subsidiaries	USD	293.15	295.59	3.52	3.60
	CAD	-	23.97	-	0.40
Interest receivable on loans to subsidiaries	USD	125.68	148.53	1.51	1.81
Cash and cash equivalents	USD	64.20	519.32	0.77	6.32
	EURO	17.79	143.72	0.20	1.61
	GBP	-	112.07	-	1.11
	CAD	-	120.39	-	1.98
	Others*	0.08	0.02	0.09	0.02
Total		7,000.94	7,908.22		
Financial liabilities					
Payables (including other payables)	EURO	403.33	302.25	4.49	3.39
	USD	1,163.03	1,190.72	13.99	14.49
	GBP	459.28	221.66	4.36	2.19
	CAD	2.11	28.17	0.03	0.46
	Others*	19.57	12.68	0.36	0.23
Interest Payable on loan	USD	72.25	83.83	0.88	1.02
	CAD	-	-	-	-
	EURO	5.82	2.34	0.07	0.03
Loans payable	USD	4,866.39	5,389.05	58.35	65.58
	CAD	-	-	-	-
	EURO	1,503.50	802.78	16.71	9.00
Total		8,495.28	8,033.48		

* Foreign currency of insignificant amount

Sensitivity for significant currencies to which the Company is exposed:

Rs. in million

Particulars	Impact on profit before tax	
	31-Mar-24	31-Mar-23
USD sensitivity		
USD/INR - Increase by 4% (March 31, 2022: 4%)*	(22.77)	(35.57)
USD/INR - Decrease by 4% (March 31, 2022: 4%)*	22.77	35.57
EURO sensitivity		
EURO/INR - Increase by 2% (March 31, 2022: 2%)*	(26.09)	(10.38)
EURO/INR - Decrease by 2% (March 31, 2022: 2%)*	26.09	10.38
GBP sensitivity		
GBP/INR - Increase by 8% (March 31, 2022: 8%)*	(29.86)	(1.40)
GBP/INR - Decrease by 8% (March 31, 2022: 8%)*	29.86	1.40
CAD sensitivity		
CAD/INR - Increase by 4% (March 31, 2022: 4%)*	29.70	45.97
CAD/INR - Decrease by 4% (March 31, 2022: 4%)*	(29.70)	(45.97)

* Holding all other variables constant

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Note 39 : Financial risk management (continued)

C) Market risk (continued)

Interest rate risk

The Company's main interest rate risk arises from borrowings with variable rates, which exposes the Company to interest rate risk. During March 31, 2024 and March 31, 2023, the Company's borrowings at variable rate were mainly denominated in **INR and USD.**

Interest rate risk exposure

The Company's interest rate risk arises from borrowings. Borrowings obtained at variable rates expose the Company to interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

As a part of Company's interest risk management policy, treasury department closely tracks the base interest rate movements on regular basis. Based on regular review, management assesses the need to enter into interest rate swaps, contracts to hedge foreign currency risk. Management reviews the future movement in base rate against different factors such as overall micro and macro economic factors, liquidity in the system, expected spending cycle. Further on regular basis management assess the possibility of entering into new facilities which would reduce the future finance cost which helps management to mitigate the risk related to interest rate movement.

All the borrowing except vehicle loan are at floating rate. Refer note no. 17.

Sensitivity

The Company's policy is to minimize interest rate cash flow risk exposures on borrowing. The Company has exposure to foreign currency as well as local currency. The local currency loans are mainly linked to bank base rate/ marginal cost of funds based lending (MCLR) whereas foreign currency loans are majorly linked with USD libor

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Rs. in million

Particulars	Impact on profit before tax	
	31-Mar-24	31-Mar-23
Interest rates — increase by 25 basis points (25 bps) *	(35.36)	(41.80)
Interest rates — decrease by 25 basis points (25 bps) *	35.36	41.80

* Holding all other variables constant

The bank deposits are placed on fixed rate of interest of approximately 4.75% p.a. to 8.25% p.a (March 31, 2023: 4.00% p.a. to 8.25%). As the interest rates do not vary unless such deposits are withdrawn and renewed, interest rate risk is considered to be low.

Financial instruments and risk management

Note 40 : Fair value measurements

A. Accounting classifications and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy.

Rs. in million

March 31, 2024	Carrying amounts valued at			
	Fair value	Amortised Cost	Cost	Total
Financial assets measured at fair value through other comprehensive income				
Level 3				
Investment in LLP (FVOCI)	184.20	-	-	184.20
Financial assets not measured at fair value*				
Investments in Subsidiaries / others	-	-	6,655.81	6,655.81
Loans to related parties (including accrued interest)	-	418.84	-	418.84
Security deposits	-	184.98	-	184.98
Trade receivables	-	11,032.86	-	11,032.86
Cash and cash equivalents	-	118.71	-	118.71
Term deposits with banks (including accrued interest)	-	211.02	-	211.02
Other financial assets	-	767.60	-	767.60
Total Financial assets	184.20	12,734.01	6,655.81	19,574.02
Financial liabilities not measured at fair value*				
Borrowings	-	14,144.98	-	14,144.98
Trade deposits	-	189.17	-	189.17
Lease Liabilities	-	1,809.49	-	1,809.49
Trade payables	-	8,212.71	-	8,212.71
Creditors for capital assets	-	250.52	-	250.52
Other Financial liabilities	-	1,714.84	-	1,714.84
Total financial liabilities	-	26,321.71	-	26,321.71

Rs. in million

March 31, 2023	Carrying amounts valued at			
	Fair value	Amortised Cost	Cost	Total
Financial assets measured at fair value through other comprehensive income				
Level 3				
Investment in LLP (FVOCI)	250.00	-	-	250.00
Financial assets not measured at fair value*				
Investments in Subsidiaries / others	-	-	6,650.16	6,650.16
Loans to related parties (including accrued interest)	-	468.87	-	468.87
Security deposits	-	155.46	-	155.46
Trade receivables	-	10,544.96	-	10,544.96
Cash and cash equivalents	-	1,220.15	-	1,220.15
Term deposits with banks (including accrued interest)	-	212.02	-	212.02
Other financial assets	-	894.48	-	894.48
Total Financial assets	250.00	13,495.94	6,650.16	20,396.10
Financial liabilities not measured at fair value*				
Borrowings	-	16,677.57	-	16,677.57
Trade deposits	-	93.17	-	93.17
Lease Liabilities	-	1,048.76	-	1,048.76
Trade payables	-	6,734.36	-	6,734.36
Creditors for capital assets	-	327.36	-	327.36
Other Financial liabilities	-	1,712.38	-	1,712.38
Total financial liabilities	-	26,593.60	-	26,593.60

* The Company has not disclosed the fair value for financial instruments such as trade receivables, cash and cash equivalents, term deposits with banks, other financial assets and financial liabilities because their carrying amounts are a reasonable approximation of fair value, due to their short-term nature. Fair value of long-term financial assets and financial liabilities carried at amortized cost is not materially different from the carrying amount.

There are no transfers between any levels during the year.

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used. Related valuation process are described in Note 1B(e).

Investment In LLP	Significant unobservable Inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Net Asset Value Method and Comparable Company Market Multiples Method (CCM): Net asset-valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. CCM method involves valuing a company using the market multiples derived from valuation of comparable companies	Revenue multiple/ EV multiple^	Increase in revenue/ EV multiple will increase the fair value

^ EV Multiple - Enterprise Value Multiple

C. Level 3 fair values

(i) Reconciliation of Level 3 fair values:

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

Rs. in million

Particulars	Investment in LLP
As at April 1, 2022	250.00
Changes in fair value of financial instruments	-
As at March 31, 2023	250.00
Changes in fair value of financial instruments	(65.80)
As at March 31, 2024	184.20

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Note 41 : Contingent liabilities (to the extent not provided for)

A. Claims against the Company not acknowledged as debts as at year end

Rs. in million

Particulars	31-Mar-24	31-Mar-23
Claims as at year end		
a) Indirect tax matters (refer note (2) below)	146.21	6.67
b) Income tax matters (refer note (1) below)	1,475.14	-
	1,621.35	6.67
Claims received/ (settled/closed) subsequent to year end		
a) Indirect tax matters (refer note (2) below)	-	14.08
b) Income tax matters (refer note (1) below)	-	-
	-	14.08
Total	1,621.35	20.75

Other notes:

1) A Search and Seizure Operation ('the Operation') was conducted by the Income Tax Department under section 132 of the Income-tax Act, 1961 during December 2020. Company has received orders u/s. 153A on 29th November, 2023 and has filed appeals with before CIT(A) against the said orders. Considering the disallowances, management is of the view that the matters involved are normal tax matters, and accordingly the operation will not have any significant impact on the Company's financial position and performance for the period ended March 31, 2024.

2) The Company is in receipt of various demand notices from the Indian Goods and Services Tax authorities, Excise Duty and Sales Tax demands for input tax credit disallowances and demand for additional Entry Tax arising from dispute on applicable rate are in appeals and pending decisions. The Company has responded to such demand notices and believes that the chances of any liability arising from such notices are less than probable. Accordingly, no provision is made in the financial statements as of March 31, 2024.

3) Pending resolution of the respective proceedings, it is not possible for the Company to estimate the timing of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgment/decisions pending with various forums/authorities.

4) The Company is also contesting other civil claims against the Company which it has not acknowledged as debts and the management believes that its position will likely be upheld in the appellate process. At this stage in the proceedings, it is not possible to estimate the likelihood or extent of the liability, if any.

B. Other legal matters

AstraZeneca Vs Emcure CS (COMM)-407/2020 (Dapagliflozin Tablet)

On Sep 29, 2020, AstraZeneca filed a patent infringement suit for asserting two patents (IN205147 and IN235625) related to Dapagliflozin, against Emcure and sought injunctive relief. Emcure made a statement in Court that "Emcure will not be manufacturing and/or launching its product as it has lost commercial interest in Dapagliflozin". In view of this statement, Delhi High Court passed an Order closing the captioned application. On November 15, 2021, Emcure filed an application to withdraw its earlier statement and sought permission for launching Dapagliflozin due to revival of business interest. On this basis, the Delhi High Court vide its order dated Feb 22, 2022 has modified its earlier order of Oct 22, 2020, thereby allowing Emcure to manufacture and / or launch the said product subject to the undertaking provided in the Order. Both IN '147 and IN '625 patents expired on October 02, 2020 and May 15, 2023 respectively.

Bristol Myers Squibb (BMS) Vs Emcure CS(COMM)-684/2019

In Dec 2019, BMS sued Emcure in Delhi High Court for infringement of Indian Patent No.247381, expiring on Sep 17, 2022. On Dec 12, 2019, the court granted an ad-interim injunction in favour of BMS and against Emcure. The court directed parties to maintain status quo for launch of its product till the disposal of the application. Thereafter, Emcure filed an appeal division bench of Delhi High Court, which is FAO(OS)(COMM) 377/2019. However, the appeal was disposed off in October 2022 due to the expiry of the suit patent. The right of parties to agitate their respective rights and contentions in respect of the Application for injunction including right to claim restitution, has been kept open to be pursued before the learned Single Judge. The matter is still pending before the Delhi High Court. The Company does not expect any Court decision at least in next few years. There was no launch at risk due to injunction order till patent expiry. Emcure has launched the product only after patent expiry along with several other Generics. Hence the company does not foresee any material adverse effect from the outcome of the case.

Boehringer Ingelheim (BI) Vs Emcure & Others - (Linagliptin)

On June 2, 2022, Shimla Court granted injunction in favour of Boehringer Ingelheim and against Emcure/MSN/Optimus & Eris and directed parties to restrain jointly and severally from infringing BI Patent, i.e. IN'301. Emcure has filed appeal against the said injunction order in Himachal Pradesh High Court. The patent IN'301 expired on August 18, 2023 and the said appeal was dismissed as infructuous on March 12, 2024.

C. Drug Pricing Matters **

On December 2, 2015, the Company's erstwhile subsidiary Heritage Pharmaceuticals Inc (Heritage) learned that the United States Department of Justice, Antitrust Division ("DOJ") initiated an investigation into Heritage and its employees regarding alleged violations of U.S. antitrust laws, which prohibit contracting or conspiring to restrain, trade or commerce. In support of that investigation, the DOJ executed relevant search warrants at Heritage's premises and at the residence of one of Heritage's national accounts managers. In addition, the DOJ served grand jury subpoenas on Heritage, and several current and former employees, which sought a variety of materials and data relevant to Heritage's generic drug business. Heritage has fully cooperated with the DOJ and responded to its subpoenas.

On May 7, 2018, Heritage received a civil investigative demand from the United States Department of Justice, Civil Division ("DOJ Civil") seeking documents and information in connection with a simultaneous investigation under the False Claims Act.

On May 31, 2019, Heritage announced that it entered into a deferred prosecution agreement ("DPA") with the DOJ relating to a one-count Information for a conspiracy involving glyburide. In conjunction with the DPA, Heritage agreed to pay a USD 225,000 fine. In addition, Heritage also announced that it separately agreed to a settlement with DOJ Civil to resolve potential civil liability under the False Claims Act in connection with the same antitrust conduct. Under the terms of the settlement with DOJ Civil, Heritage agreed to pay USD 7.1 million. These resolutions fully resolve Heritage's potential exposure in connection with the DOJ's ongoing investigation into the generics pharmaceutical industry.

In addition to the above, on May 30, 2019, Emcure Pharmaceuticals Limited ("Emcure") (erstwhile Holding company of Heritage) also entered into a cooperation and non-prosecution agreement ("NPA") with DOJ under which the Emcure, and its current officers, directors, and employees received non-prosecution protection in exchange for its agreement to provide cooperation into the DOJ's investigation. This resolutions fully resolve Emcure's potential exposure in connection with the DOJ's ongoing investigation into the generics pharmaceutical industry.

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Note 41 : Contingent liabilities (to the extent not provided for) (continued)

D. Attorneys General Litigation **

On December 21, 2015, the Company's erstwhile subsidiary Heritage Pharmaceuticals Inc ("Heritage") received a subpoena and interrogatories from the Connecticut Office of the Attorney General seeking information relating to the marketing, pricing and sale of certain of Heritage's generic products (including generic doxycycline) and communications with competitors about such products. On December 14, 2016, attorneys general of twenty states filed a complaint in the United States District Court for the District of Connecticut against several generic pharmaceutical drug manufacturers and individuals, including Heritage, alleging anticompetitive conduct with respect to, among other things, doxycycline hyalite DR. On June 18, 2018, attorneys general of forty-five states, the District of Columbia and the Commonwealth of Puerto Rico filed an amended consolidated complaint against various drug manufacturers, including Heritage, Emcure and Emcure's Chief Executive Officer, Satish Mehta based on the same alleged conduct. The consolidated complaint (the "State AG Complaint") was subsequently amended to add certain attorneys general alleging violations of federal and state antitrust laws, as well as violations of various states' consumer protection laws.

The consolidated State AG Complaint alleges that Heritage engaged in anticompetitive conduct with respect to fifteen different drugs: acetazolamide; doxycycline monohydrate, doxycycline hyalite DR, fosinopril HCTZ, glipizide metformin, glyburide, glyburide metformin, leflunomide, meprobamate, nimodipine, nystatin, paromomycin, theophylline, verapamil, and zoledronic acid. The consolidated State AG Complaint also includes claims asserted by attorneys general of thirty-seven states and the Commonwealth of Puerto Rico against Heritage, Emcure, and certain individuals, including Emcure's Chief Executive Officer, Satish Mehta, with respect to doxycycline hyclate DR. The allegations in the State AG Complaint are similar to those in the previously filed civil complaints (discussed below).

The consolidated State AG Complaint was transferred and consolidated into the ongoing multidistrict litigation captioned In re Generic Pharmaceuticals Pricing Antitrust Litigation, Case No. 16 MD 2724, which is currently pending in the United States District Court, Eastern District of Pennsylvania (the "Antitrust MDL").

On February 28, 2023, the Court in the Antitrust MDL denied almost all dispositive motions filed by the companies - and some of their former executives - to dismiss the price-fixing allegations.

Emcure, Heritage and Satish Ramanlal Mehta have also reached a settlement agreement in principle with the Plaintiff States (the "States Settlement Agreement") which is being considered for approval by the Plaintiff States. The finality of the States Settlement Agreement is subject to approval by each individual Plaintiff State. To date, each Individual Plaintiff State has now formally approved the States Settlement Agreement, with the limited exception of one remaining state, where approval still remains pending i.e. Louisiana.

E. Civil Litigation **

Beginning in 2016, Heritage, along with other manufacturers, has been named as a defendant in lawsuits generally alleging anticompetitive conduct with respect to generic drugs. The lawsuits have been filed by putative classes of direct purchases (the "Direct Purchaser Plantiffs"), 2 putative classes of indirect purchasers (the "Endpayer Plantiffs" and the "Indirect Reseller Plantiffs") and by individual opt out plantiff purchasers. They allege harm under federal and state antitrust laws, state consumer protection laws and unjust enrichment claims. Some of the lawsuits also name Emcure and Emcure's Chief Executive Officer, Satish Mehta, as defendants and include allegations against them with respect to doxycycline hyclate DR. The lawsuits have been consolidated in the Antitrust MDL (referenced above).

A number of other lawsuits have been separately filed against Heritage, and various other manufacturers, by individual plaintiffs who have elected to opt-out of the putative classes. These complaints also generally allege anticompetitive conduct with respect to generic drugs which allegedly caused harm under federal and state antitrust laws, state consumer protection laws and unjust enrichment claims. These lawsuits have also been consolidated in the pending Antitrust MDL (referenced above).

Emcure, Heritage and Satish Ramanlal Mehta have entered into settlement agreements including (i) a settlement agreement dated October 31, 2023 for the settlement of all claims filed against Emcure and Heritage by all of the Direct Purchaser Plaintiffs in the Civil Cases (the "DPP Settlement Agreement"), and (ii) a settlement agreement dated November 28, 2023 for the settlement of all claims filed against Emcure and Heritage by all of the End-Payer Plaintiffs in the Civil Cases (the "EPP Settlement Agreement"). Settlements have yet to be negotiated with the Indirect Reseller Plaintiffs and the individual opt-out plaintiff purchasers in the Civil Cases, which comprise individual plaintiff purchasers that are not part of the classes of Direct Purchaser Plaintiffs and the End-Payer Plaintiffs. Both the DPP Settlement Agreement and the EPP Settlement Agreement must be approved by the Court following the filing of motions seeking such approval by the Direct Purchaser Plaintiffs and the End-Payer Plaintiffs, respectively. On January 23, 2024, the Direct Purchaser Plaintiffs filed a motion for approval of the DPP Settlement Agreement, and on February 13, 2024, the Court granted preliminary approval to the DPP Settlement Agreement. The Court also scheduled a Final Approval Hearing for the DPP Settlement Agreement for September 23, 2024. We are currently waiting for the End-Payer Plaintiffs to file a similar motion for approval of the EPP Settlement Agreement as the next step.

** Company (the Company) has entered into an indemnity agreement with Avet Lifesciences Limited ("Avet Life"), whereby from the effective date of the scheme of arrangement, Avet Life has agreed to indemnify, defend and hold harmless the Company and directors, officers, employees, agent, representatives and shareholders of the Company (the "Indemnified Parties"), as applicable, from and against any and all the losses suffered or incurred by the Indemnified Parties, which arises out of, or results from or in connection with any claim and any loss suffered by the Indemnified Parties on account of breach by Avet Life or its subsidiaries and affiliates of any covenants, undertakings and/or obligations of the Indemnification Deed, and in relation to losses arising out of certain identified claims including claims and obligations of the Company under pending litigations in the U.S. Pursuant to the Indemnification Deed, Avet Life will assume all losses or liability, and the payment obligation (if any), that would be owed by the Company in either the State AG Complaint or the Civil Cases under a negotiated settlement agreement, or an adverse verdict rendered by a jury against our Company or our officers, directors and employees. As a result of such indemnity agreement, our Company would be liable for any potential settlement obligation, or adverse jury verdict for the amount directed specifically against it, only in the event that Avet Life is unable to fully satisfy such an obligation or verdict.

J. General

From time to time, the Company is subject to various disputes, governmental and/or regulatory inquiries or investigations, and litigations, some of which result in losses, damages, fines and charges against the Company. While the Company intends to vigorously defend its position in the claims asserted against it, the ultimate resolution of a matter is often complex, time consuming, and difficult to predict. Therefore, except as described below, the Company does not currently have a reasonable basis to estimate the loss, or range of loss, that is reasonably possible with respect to matters disclosed in this note.

The Company records a provision in its standalone financial statements to the extent that it concludes that a contingent liability is probable and the amount can be estimated and has noted those contingencies below. The Company's assessments involve complex judgments about future events and often rely heavily on estimates and assumptions. The Company also incurs significant legal fees and related expenses in the course of defending its positions even if the facts and circumstances of a particular litigation do not give rise to a provision in the standalone financial statements.

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EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2024

Note 42 : Capital and other commitments (to the extent not provided for)

A) Capital commitment

Rs. in million

Particulars	31-Mar-24	31-Mar-23
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	819.45	644.87

B) Other commitments

i) Export Oriented Unit compliance

The Company has set up 100% Export Oriented Unit (EOU) as per the permission granted by the Office of the Development Commissioner of SEEPZ, Special Economic Zone, KASEZ, kandla, Ministry of commerce, Government of India. The authorities have, inter alia, laid down the following conditions, failure to comply the same will lead to cancellation / revocation of the permission:

i. The entire (100%) production shall be exported except the sales in domestic tariff area admissible as per entitlement.

ii. The EOU of the Company shall be a positive net foreign exchange earner during the block period of 5 years from the date of commencement of production failure to achieve the same the company will be liable for penal action.

As at the year end, the Company is in compliance with the condition laid down by the authorities and does not expect any non-compliance in future.

ii) Long-term contracts

The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts for which there were any material foreseeable losses.(March 31 2023 : Nil)

iii) Derivative contracts

The Company has not entered into any derivative contracts during the year and has no derivative contract outstanding as at the year end.(March 31 2023 : Nil)

C) Financial guarantees given

The Company exposure towards guarantees given as at the reporting date is as below:

March 31, 2024	Currency	Outstanding Guarantee Value		Outstanding Exposure Value	
		FC. In million	Rs. In million	FC. In million	Rs. In million
Bankers for Gennova Biopharmaceuticals Ltd. In respect of loans	INR	-	2,120.00	-	1,695.49
Bankers for Marcan Pharmaceuticals Inc. in respect of loans	CAD	17.83	1,097.68	13.08	805.25
Bankers for Marcan Pharmaceuticals Inc. in respect of loans	USD	25.56	2,131.70	12.76	1,064.42
Bankers for Emcure Pharmaceuticals Mena FZ LLC. in respect of loans	AED	18.50	420.06	0.32	7.19
Bankers for Avet Lifesciences Private Limited in respect of loans	USD	55.00	4,587.00	47.48	3,960.20
Bankers for Mantra Pharma Inc. in respect of loans	CAD	21.67	1,333.97	21.67	1,333.97
Erstwhile Shareholders of Mantra Pharma Inc.	CAD	50.00	3,078.17	50.00	3,078.17
Bankers for Emcure Pharma Philippines Inc in respect of loans	USD	0.50	41.70	0.16	13.36

March 31, 2023	Currency	Outstanding Guarantee Value		Outstanding Exposure Value	
		FC. In million	Rs. In million	FC. In million	Rs. In million
Bankers for Gennova Biopharmaceuticals Ltd. In respect of loans	INR	-	2,120.00	-	1,879.20
Bankers for Marcan Pharmaceuticals Inc. in respect of loans	CAD	23.71	1,438.72	20.28	1,230.59
Bankers for Marcan Pharmaceuticals Inc. in respect of loans	USD	25.56	2,100.27	16.98	1,395.25
Bankers for Emcure Pharmaceuticals Mena FZ LLC. in respect of loans	AED	8.00	178.94	7.04	157.46
Bankers for Tillomed Laboratories Limited. in respect of loans	GBP	6.60	668.83	6.00	608.02
Bankers for Avet Lifesciences Private Limited in respect of loans	USD	65.00	5,341.05	60.88	5,002.15

The facility of Avet Lifescience Private Limited was closed subsequent to year ended March 31, 2024 and the above stated Guarantee given by Emcure Pharmaceuticals Limited was released on May 21, 2024.

All the above financial guarantees have been accounted as per the provisions of Ind AS 109 - financial instruments.

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Note 43 - Related party disclosure

Related parties with whom there were transactions during the year and nature of relationship

Subsidiaries:

Zuventus Healthcare Limited
Gennova Biopharmaceuticals Limited
Emcure Brasil Farmaceutica Ltda.
Emcure Nigeria Limited
Emcure Pharmaceuticals Mena FZ-LLC.
Emcure Pharmaceuticals South Africa (Pty) Ltd
Emcure Pharma UK Ltd.
Emcure Pharma Mexico S.A. DE C.V.
Emcure Pharma Peru S.A.C.
Marcan Pharmaceuticals Inc.
Emcure Pharmaceuticals Pty Ltd.
Emcure Pharma Chile SpA
Lazor Pharmaceuticals Limited
Emcure Pharma Philippines Inc
Emcure Pharma Panama Inc (From December 1, 2022 upto October 3, 2023)
Emcure Pharmaceuticals Dominicana, S.A.S (From November 15, 2023)

Step-down subsidiaries:

Tillomed Laboratories Limited (Subsidiary of Emcure Pharma UK Ltd.)
Tillomed Pharma GmbH, Germany (Subsidiary of Emcure Pharma UK Ltd.)
Laboratorios Tillomed Spain S.L.U. (Subsidiary of Emcure Pharma UK Ltd.)
Tillomed France SAS (Subsidiary of Emcure Pharma UK Ltd.)
Tillomed Italia S.R.L, Italy (Subsidiary of Emcure Pharma UK Ltd.)
Tillomed Laboratories BV (Subsidiary of Emcure Pharma UK Ltd.) (Dissolved w.e.f. March 29, 2023)
Tillomed d.o.o. (Subsidiary of Emcure Pharma UK Ltd.) (Dissolved w.e.f. February 16, 2024)
Tillomed Malta Limited (Subsidiary of Emcure Pharma UK Ltd.) (From June 6, 2022)
Mantra Pharma Inc (From November 6, 2023)

Key Management Personnel: Whole Time Directors

Mr. Satish Mehta (Managing Director & CEO)
Dr. Mukund Gurjar (Executive Director)
Mr. Sunil Mehta (Executive Director)
Mrs. Namita Thapar (Executive Director)
Mr. Samit Mehta (Executive Director w.e.f. July 28, 2022)

Key Management Personnel: Other than Whole Time Directors

Mr. S.K. Bapat (Independent Director upto July 27, 2022)
Mr. Berjis Desai (Chairman and Independent Director upto July 27, 2022) (Chairman and Non Executive Director w.e.f. July 28, 2022)
Mr. Samonnoi Banerjee (Nominee of BC Investment IV Ltd) (Director)
Mr. P. S. Jayakumar (Independent Director)
Mr. Tajuddin Shaikh (Chief Financial Officer)
Dr. Vidya Rajiv Yeravdekar (Independent Director)
Dr. Shailesh Kripalu Ayyangar (Independent Director w.e.f June 02,2023)
Mr. Vijay Keshav Gokhale (Independent Director)
Mr. Hitesh Jain (Independent Director upto July 04, 2022)

Key Management Personnel: Relatives

Mr. Sanjay Mehta
Mr. Vikas Thapar
Mr. Rutav Mehta
Mr. Niraj Mehta
Mrs. Bhavana Mehta
Mrs. Surekha Shah
Mrs. Shaila Gurjar
Mrs. Suhasinee Shah
Mrs. Kamini Mehta
Mrs. Pushpa Mehta
Mrs. Swati Shah
Mrs. Smita Paresh Shah

Enterprise over which Key Management Personnel have control:

H.M. Sales Corporation
Uth Beverages Factory Pvt. Ltd.
Avet Lifesciences Private Limited (formerly known as Avet Lifesciences Limited)
Heritage Pharma Holdings Inc. (doing business as Avet Pharmaceuticals Holdings Inc.) (Subsidiary of Avet Lifesciences Private Limited)
Heritage Pharmaceuticals Inc. (doing business as Avet Pharmaceuticals Inc.) (Subsidiary of Heritage Pharma Holdings Inc.)
Heritage Pharma Labs Inc. (doing business as Avet Pharmaceuticals Labs Inc.) (Subsidiary of Heritage Pharma Holdings Inc.)
AvetAPI Inc (erstwhile Hacco Pharma Inc.) (Subsidiary of Heritage Pharma Holdings Inc.)
Parinam Law Associates (upto July 04, 2022)
Brandbucket Enterprises Private Limited
Incredible Ventures Private Limited

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EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2024

Note 43 - Related party disclosure (continued)

Rs. in million

Sr. No.	Description of the nature of transaction / balance	Transaction value		Balance outstanding as at			
				31-Mar-24		31-Mar-23	
		Year ended 31-Mar-24	Year ended 31-Mar-23	Receivable / Advance to supplier	Payable / Advance from customer	Receivable / Advance from customer	Payable / Advance to supplier
(A)	Transactions/ balances with related parties (other than KMP) are as follows:						
1	**Purchase of goods & services**						
	Zuventus Healthcare Limited	10.42	24.83	-	-	-	3.47
	Gennova Biopharmaceuticals Limited	575.97	152.36	-	13.95	-	0.04
	Parinam Law Associates	-	2.94	-	-	-	-
	Brandbucket Enterprises Private Limited	2.36	1.56	-	-	-	0.28
	Uth Beverages Factory Pvt. Ltd.	1.15	-	-	-	-	-
	Emcure Pharmaceuticals South Africa (Pty) Ltd	0.27	-	-	0.27	-	-
		590.17	181.69	-	14.22	-	3.79
2	**Sale of assets**						
	Zuventus Healthcare Limited	0.04	1.25	-	-	0.44	-
	Gennova Biopharmaceuticals Limited	2.30	-	2.38	-	0.01	-
	Avet Lifesciences Private Limited	0.29	-	0.34	-	-	-
		2.63	1.25	2.72	-	0.45	-
3	**Purchase of assets**						
	Gennova Biopharmaceuticals Limited	208.22	5.72	-	0.01	-	0.29
		208.22	5.72	-	0.01	-	0.29
4	**Sale /(Return) of goods and services**						
	Zuventus Healthcare Limited	353.14	309.89	13.93	-	0.80	-
	Gennova Biopharmaceuticals Limited	393.72	231.67	106.07	-	260.34	-
	Heritage Pharma Labs Inc.	252.04	347.02	225.85	-	131.04	-
	Emcure Pharmaceuticals Mena FZ-LLC.	678.66	844.04	329.11	-	-	146.35
	Heritage Pharmaceuticals Inc.	75.96	6.88	69.57	-	10.18	-
	Emcure Pharmaceuticals South Africa (Pty) Ltd	413.81	85.46	237.97	-	20.47	-
	Emcure Pharma UK Ltd.	-	-	-	-	245.42	-
	Emcure Pharma Peru S.A.C.	(109.49)	(83.58)	340.50	-	1,600.32	-
	Tillomed Laboratories Limited	2,372.47	1,474.12	-	733.19	-	430.35
	Tillomed Pharma GmbH	7.17	19.13	3.26	-	18.36	-
	Tillomed Italia S.R.L	202.11	100.64	15.56	-	133.12	-
	Tillomed Spain	(7.25)	31.79	-	-	14.34	-
	Marcan Pharmaceuticals Inc.	2,193.01	1,887.49	700.22	-	901.76	-
	H.M. Sales Corporation	22.43	0.42	4.86	-	0.09	-
	AvetAPI Inc.	-	7.29	8.28	-	8.16	-
	Emcure Pharma Chile SpA	287.74	43.09	342.12	-	49.73	-
	Lazor Pharmaceuticals Limited	77.06	73.73	118.17	-	61.17	-
	Avet Lifesciences Private Limited	1,514.09	1,446.34	1,741.41	-	1,628.71	-
	Uth Beverages Factory Private Limited	23.48	2.64	17.87	-	1.89	-
	Tillomed Malta Ltd	808.67	-	288.92	-	-	-
	Emcure Pharma Philippines Inc	4.34	-	4.40	-	-	-
		9,563.16	6,828.06	4,568.07	733.19	5,085.90	576.70
5	**Advance received for goods and services**						
	Emcure Pharmaceuticals South Africa (Pty) Ltd	-	-	-	-	-	48.21
	Marcan Pharmaceuticals Inc.	-	-	-	86.18	-	-
	Tillomed Laboratories Limited	-	-	-	201.30	-	-
		-	-	-	287.48	-	48.21
6	**Purchase of shares of subsidiary**						
	Marcan Pharmaceuticals Inc.	-	1,175.10	-	-	-	-
	Emcure Pharma Chile SpA	-	31.96	-	-	-	-
	Lazor Pharmaceuticals Limited	-	45.40	-	-	-	-
		-	1,252.46	-	-	-	-
7	**Equity contribution in the nature of employee stock options issued to employees of subsidiary / (cancellation of employee stock options issued)**						
	Gennova Biopharmaceuticals Limited	0.89	1.49	-	-	-	-
	Marcan Pharmaceuticals Inc.	5.77	9.65	-	-	-	-
	Tillomed Laboratories Limited	0.89	2.97	-	-	-	-
		7.55	14.11	-	-	-	-

EMCURE PHARMACEUTICALS LTD. ★ PUNE ★

EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2024

Note 43 - Related party disclosure (continued)

Rs. in million

Sr. No.	Description of the nature of transaction / balance	Transaction value		Balance outstanding as at			
				31-Mar-24		31-Mar-23	
		Year ended 31-Mar-24	Year ended 31-Mar-23	Receivable / Advance to supplier	Payable / Advance from customer	Receivable / Advance from customer	Payable / Advance to supplier
8	**Loans and advances given** [(1)]						
	Emcure Nigeria Limited	-	-	49.43	-	64.11	-
	Emcure Brasil Farmaceutica Ltda.	-	-	123.02	-	121.20	-
	Marcan Pharmaceuticals Inc.	-	-	-	-	23.97	-
	Emcure Pharma Mexico S.A. DE C.V.	-	-	86.90	-	85.62	-
	Emcure Pharma Chile SpA	32.82	-	33.36	-	-	-
	Emcure Pharma Philippines Inc	24.57	24.67	49.87	-	24.65	-
		57.39	24.67	342.58	-	319.55	-
9	**Loans and advances repaid**						
	Marcan Pharmaceuticals Inc.	23.78	1,015.40	-	-	-	-
	Emcure Pharma Chile SpA	-	20.13	-	-	-	-
	Lazor Pharmaceuticals Limited	-	15.89	-	-	-	-
		23.78	1,051.42	-	-	-	-
10	**Interest income**						
	Emcure Nigeria Limited	3.20	4.14	41.82	-	46.11	-
	Emcure Brasil Farmaceutica Ltda.	8.96	8.68	80.69	-	70.63	-
	Marcan Pharmaceuticals Inc.	0.72	13.54	-	-	-	-
	Emcure Pharma Mexico S.A. DE C.V.	7.62	7.39	40.56	-	32.39	-
	Lazor Pharmaceuticals Limited	-	0.49	-	-	-	-
	Emcure Pharma Chile SpA	1.68	0.83	1.52	-	-	-
	Emcure Pharma Philippines Inc	3.18	0.23	2.92	-	0.19	-
		25.36	35.30	167.51	-	149.32	-
11	**Net gain/(loss) on loans given to subsidiaries measured at amortised cost**						
	Emcure Brasil Farmaceutica Ltda.	-	14.90	-	-	-	-
	Emcure Nigeria Limited	-	13.14	-	-	-	-
	Emcure Pharma Mexico S.A. DE C.V.	-	10.67	-	-	-	-
		-	38.71	-	-	-	-
12	**Interest expense**						
	H.M. Sales Corporation	0.75	0.75	-	0.17	-	0.17
		0.75	0.75	-	0.17	-	0.17
13	**Sale of Steam (classified under other income)**						
	Gennova Biopharmaceuticals Limited	63.03	45.28	19.66	-	50.67	-
		63.03	45.28	19.66	-	50.67	-
14	**Purchase of Steam**						
	Zuventus Healthcare Limited	9.23	7.73	-	-	-	-
		9.23	7.73	-	-	-	-
15	**Laboratory Service Income**						
	Gennova Biopharmaceuticals Limited	0.06	0.06	-	-	0.06	-
	Zuventus Healthcare Limited	0.90	0.90	-	-	-	-
		0.96	0.96	-	-	0.06	-
16	**Trade / Security deposits accepted**						
	H.M. Sales Corporation	-	-	-	10.00	-	10.00
	Zuventus Healthcare Limited	4.46	-	-	5.46	-	1.02
	Gennova Biopharmaceuticals Limited	-	-	-	49.99	-	50.01
		4.46	-	-	65.45	-	61.03
17	**Trade / Security deposits repaid**						
	Gennova Biopharmaceuticals Limited	0.02	1.71	-	-	-	-
	Zuventus Healthcare Limited	0.02	-	-	-	-	-
	Avet Lifesciences Private Limited	-	0.15	-	-	-	-
		0.04	1.86	-	-	-	-
18	**Commission expenses**						
	H.M. Sales Corporation	32.48	31.98	-	7.75	-	8.21
		32.48	31.98	-	7.75	-	8.21

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Notes to the standalone financial statements (continued)
For the year ended March 31, 2024

Note 43 - Related party disclosure (continued)

Rs. in million

Sr. No.	Description of the nature of transaction / balance	Transaction value		Balance outstanding as at			
				31-Mar-24		31-Mar-23	
		Year ended 31-Mar-24	Year ended 31-Mar-23	Receivable / Advance to supplier	Payable / Advance from customer	Receivable / Advance from customer	Payable / Advance to supplier
19	**Reimbursement of expenses made**						
	Heritage Pharma Labs Inc.	0.31	1.86	-	5.44	-	5.05
	Heritage Pharmaceuticals Inc.	0.62	3.63	-	70.20	-	68.64
	Marcan Pharmaceuticals Inc.	10.17	7.23	-	2.12	-	28.17
	Lazor Pharmaceuticals Limited	2.71	1.61	-	0.34	-	1.61
	H.M. Sales Corporation	0.02	0.07	-	0.02	-	-
	Gennova Biopharmaceuticals Limited	1.22	-	-	1.43	-	-
	Zuventus Healthcare Limited	8.72	-	-	-	-	-
	Emcure Pharmaceuticals Mena FZ-LLC.	0.16	-	-	0.16	-	-
	Emcure Pharmaceuticals Pty Ltd.	0.20	-	-	0.20	-	-
	Emcure Nigeria Limited	0.18	-	-	0.18	-	-
	Emcure Pharma Philippines Inc	0.38	-	-	0.38	-	-
	Emcure Pharmaceuticals South Africa (Pty) Ltd	0.47	-	-	0.48	-	-
	Emcure Pharma UK Ltd.	3.59	-	-	3.67	-	-
	Tillomed Laboratories Limited	22.53	28.24	-	8.25	-	31.58
		51.28	42.64	-	92.87	-	135.05
20	**Reimbursement of expenses received**						
	Zuventus Healthcare Limited	11.91	10.26	0.62	-	-	-
	Gennova Biopharmaceuticals Limited	159.23	145.20	88.80	-	152.43	-
	Tillomed Italia S.R.L	18.44	6.32	3.92	-	-	-
	Tillomed Pharma GmbH	13.53	10.82	12.97	-	10.97	-
	Emcure Pharmaceuticals Mena FZ-LLC.	-	0.55	-	-	10.21	-
	Heritage Pharmaceuticals Inc.	9.47	-	13.03	-	3.37	-
	Tillomed Laboratories Limited	105.75	67.16	47.19	-	18.99	-
	Laboratorios Tillomed Spain S.L.U.	5.78	3.84	1.06	-	1.48	-
	Tillomed France SAS	9.28	14.16	25.17	-	15.60	-
	Marcan Pharmaceuticals Inc.	0.52	0.72	0.15	-	4.42	-
	Avet Lifesciences Private Limited	27.37	38.24	41.99	-	51.79	-
	Emcure Pharma Chile SpA	-	-	0.72	-	0.71	-
	Emcure Pharma Peru S.A.C.	-	-	0.63	-	0.62	-
	Tillomed Malta Ltd	3.27	-	3.30	-	-	-
	Emcure Pharma Philippines Inc	0.25	-	0.25	-	-	-
		364.80	297.27	239.80	-	270.59	-
21	**Dividend received**						
	Zuventus Healthcare Limited	319.20	319.20	-	-	-	-
	Emcure Pharma UK Ltd.	210.88	-	-	-	-	-
		530.08	319.20	-	-	-	-
22	**Rent income**						
	Zuventus Healthcare Limited	8.40	11.85	-	-	-	-
	Gennova Biopharmaceuticals Limited	148.19	154.05	71.59	-	155.68	-
	Avet Lifesciences Private Limited	-	0.35	-	-	0.44	-
	Incredible Ventures Pvt Ltd.	0.01	0.02	-	-	-	-
		156.60	166.27	71.59	-	156.12	-
23	**Financial guarantee fees charged**						
	Gennova Biopharmaceuticals Limited	19.66	15.07	10.45	-	16.27	-
	Heritage Pharma Holdings Inc.	-	-	15.89	-	15.65	-
	Marcan Pharmaceuticals Inc.	25.21	42.85	5.57	-	51.77	-
	Emcure Pharmaceuticals Mena FZ-LLC.	4.04	1.70	0.36	-	10.16	-
	Tillomed Laboratories Limited	1.91	6.31	-	-	0.48	-
	Avet Lifesciences Private Limited	53.96	52.24	68.19	-	61.66	-
	Mantra Pharma Inc	17.44	-	17.71	-	-	-
	Emcure Pharma Philippines Inc	0.26	-	0.26	-	-	-
		122.48	118.17	118.43	-	155.99	-
24	**Royalty expense**						
	Uth Beverages Factory Pvt. Ltd.	0.78	0.81	-	0.17	-	0.15
		0.78	0.81	-	0.17	-	0.15

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EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2024

Note 43 - Related party disclosure (continued)

Rs. in million

Sr. No.	Description of the nature of transaction / balance	Transaction value		Balance outstanding as at			
				31-Mar-24		31-Mar-23	
		Year ended 31-Mar-24	Year ended 31-Mar-23	Receivable / Advance to supplier	Payable / Advance from customer	Receivable / Advance from customer	Payable / Advance to supplier
25	Marketing Support Fees (classified under Advertisement & Promotional Material)						
	Emcure Pharmaceuticals Mena FZ-LLC.	263.58	130.92	-	230.62	-	132.07
	Emcure Nigeria Limited	4.47	4.07	-	10.49	-	8.40
	Emcure Pharma Mexico S.A. DE C.V.	83.67	43.06	-	20.58	-	14.21
	Emcure Brasil Farmaceutica Ltda.	2.16	5.74	-	16.16	-	14.87
	Emcure Pharmaceuticals Pty Ltd.	10.13	8.46	-	19.28	-	12.68
	Emcure Pharma Chile SpA	30.07	11.88	-	-	-	1.99
	Emcure Pharma Philippines Inc	63.52	33.72	-	34.34	-	0.84
	Emcure Pharma Peru S.A.C.	347.69	260.71	-	7.90	-	78.17
		805.29	498.56	-	339.37	-	263.23
26	Corporate Overhead Cross Charge (Income) (classified under other income)						
	Marcan Pharmaceuticals Inc.	82.44	63.34	21.01	-	78.36	-
	Tillomed Laboratories Limited	152.91	113.84	13.10	-	34.06	-
		235.35	177.18	34.11	-	112.42	-
27	Financial guarantee fees paid (classified under other borrowing costs)						
	Zuventus Healthcare Limited	13.39	10.15	-	-	-	2.42
		13.39	10.15	-	-	-	2.42
28	Advance paid for goods and services						
	Gennova Biopharmaceuticals Limited	-	-	-	-	22.97	-
		-	-	-	-	22.97	-
29	Loss allowance for doubtful debt/Bad debt written off						
	Emcure Pharma Peru S.A.C.	581.51	-	-	-	-	-
		581.51	-	-	-	-	-
30	Provision for impairment on loans and interest accrued thereon						
	Emcure Nigeria Limited	91.25	-	-	-	-	-
		91.25	-	-	-	-	-
31	Provision for diminution in value of Investments						
	Emcure Nigeria Limited	1.90	-	-	-	-	-
		1.90	-	-	-	-	-
(B)	Transactions/ balances with related parties (KMP) are as follows:						
1	Remuneration paid Key Management Personnel: Whole Time Directors						
	Mr. Satish Mehta	229.59	215.43	-	30.74	-	30.63
	Dr. Mukund Gurjar	57.70	53.69	-	13.17	-	12.08
	Mr. Sunil Mehta	34.45	31.75	-	4.09	-	3.64
	Mrs. Namita Thapar	43.99	40.52	-	5.27	-	4.68
	Mr. Samit Mehta	30.67	27.13	-	3.56	-	2.99
		396.40	368.52	-	56.83	-	54.02
2	Remuneration paid Key Management Personnel: Relatives						
	Mr. Vikas Thapar	45.86	42.28	-	5.27	-	4.71
	Mr. Sanjay Mehta	35.25	32.52	-	4.18	-	3.56
	Mr. Rutav Mehta	3.48	-	-	0.41	-	-
		84.59	74.80	-	9.86	-	8.27
3	Remuneration paid Key Management Personnel: Other than Whole Time Directors						
	Mr. Tajuddin Shaikh	16.25	14.10	-	4.32	-	3.64
		16.25	14.10	-	4.32	-	3.64
4	Post-employment obligations Key Management Personnel: Whole Time Directors						
	Mrs. Namita Thapar	1.97	1.27	-	15.33	-	13.36
	Mr. Samit Mehta	2.86	1.48	-	20.46	-	17.60
		4.83	2.75	-	35.79	-	30.96

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EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2024

Note 43 - Related party disclosure (continued)

Rs. in million

Sr. No.	Description of the nature of transaction / balance	Transaction value		Balance outstanding as at			
				31-Mar-24		31-Mar-23	
		Year ended 31-Mar-24	Year ended 31-Mar-23	Receivable / Advance to supplier	Payable / Advance from customer	Receivable / Advance from customer	Payable / Advance to supplier
5	**Post-employment obligations**						
	Key Management Personnel: Relatives						
	Mr. Vikas Thapar	1.94	1.30	-	15.22	-	13.28
	Mr. Sanjay Mehta	-	5.59	-	-	-	-
	Mr. Rutav Mehta	0.09	-	-	0.09	-	-
		2.03	6.89	-	15.31	-	13.28
6	**Post-employment obligations**						
	Key Management Personnel: Other than Whole Time Directors						
	Mr. Tajuddin Shaikh	0.92	0.49	-	5.52	-	4.60
		0.92	0.49	-	5.52	-	4.60
7	**Compensated absences**						
	Key Management Personnel: Whole Time Directors						
	Mr. Satish Mehta	1.71	2.29	-	23.02	-	21.31
	Dr. Mukund Gurjar	0.35	0.44	-	5.23	-	4.88
	Mr. Sunil Mehta	0.26	0.30	-	3.59	-	3.33
	Mrs. Namita Thapar	0.19	0.22	-	4.98	-	4.79
	Mr. Samit Mehta	0.34	0.24	-	5.47	-	5.13
		2.85	3.49	-	42.29	-	39.44
8	**Compensated absences**						
	Key Management Personnel: Relatives						
	Mr. Vikas Thapar	0.17	0.21	-	4.89	-	4.72
	Mr. Sanjay Mehta	0.27	0.65	-	3.60	-	3.33
	Mr. Rutav Mehta	0.18	-	-	0.18	-	-
		0.62	0.86	-	8.67	-	8.05
9	**Compensated absences**						
	Key Management Personnel: Other than Whole Time Directors						
	Mr. Tajuddin Shaikh	0.13	0.63	-	1.54	-	1.41
		0.13	0.63	-	1.54	-	1.41
10	**Employee share based payments**						
	Key Management Personnel: Relatives						
	Mr. Vikas Thapar	202.36	0.23	-	-	-	38.11
		202.36	0.23	-	-	-	38.11
11	**Employee share based payments - Perquisite on share options exercised**						
	Key Management Personnel: Relatives						
	Mr. Vikas Thapar	262.02	-	-	-	-	-
		262.02	-	-	-	-	-
12	**Employee share based payments**						
	Key Management Personnel: Other than Whole Time Directors						
	Mr. Tajuddin Shaikh	0.29	0.62	-	7.97	-	7.68
		0.29	0.62	-	7.97	-	7.68
13	**Dividend paid**						
	Key Management Personnel: Whole Time Directors	321.26	214.17	-	-	-	-
	Key Management Personnel: Other than Whole Time Directors	1.65	1.10	-	-	-	-
	Key Management Personnel: Relatives	122.60	82.00	-	-	-	-
		445.51	297.27	-	-	-	-
14	**Commission - Other than Whole Time Directors**						
	Mr. Berjis Desai	10.00	5.00	-	10.00	-	5.00
	Mr. P. S. Jayakumar	2.60	2.60	-	2.60	-	2.60
	Dr. Vidya Rajiv Yeravdekar	1.50	1.50	-	1.50	-	1.50
	Mr. Vijay Keshav Gokhale	1.50	1.50	-	1.50	-	1.50
	Dr. Shailesh Kripalu Ayyangar	5.00	6.00	-	5.00	-	6.00
		20.60	16.60	-	20.60	-	16.60

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Note 43 - Related party disclosure (continued)

Rs. in million

Sr. No.	Description of the nature of transaction / balance	Transaction value		Balance outstanding as at			
				31-Mar-24		31-Mar-23	
		Year ended 31-Mar-24	Year ended 31-Mar-23	Receivable / Advance to supplier	Payable / Advance from customer	Receivable / Advance from customer	Payable / Advance to supplier
15	**Sitting fees - Other than Whole Time Directors**						
	Mr. S.K. Bapat	-	0.32	-	-	-	-
	Mr. Berjis Desai	0.60	0.44	-	-	-	-
	Mr. Samonnoi Banerjee	0.52	0.32	-	-	-	-
	Mr. P. S. Jayakumar	0.64	0.40	-	-	-	-
	Mr Shailesh Ayyangar	0.32	0.24	-	-	-	-
	Mr.Vijay keshav Gokhale	0.76	0.40	-	-	-	-
	Ms.Vidya Rajiv Yeravdekar	0.28	0.12	-	-	-	-
	Ms.Hitesh Jain	-	0.08	-	-	-	-
		3.12	2.32	-	-	-	-
16	**Rent expense**						
	Key Management Personnel: Whole Time Directors						
	Mr. Sunil Mehta	0.48	0.39	-	-	-	-
		0.48	0.39	-	-	-	-
17	**Rent expense**						
	Key Management Personnel: Relatives						
	Mr. Sanjay Mehta	0.48	0.39	-	-	-	-
	Mrs. Bhavana Mehta	0.37	0.27	-	-	-	-
		0.85	0.66	-	-	-	-
18	**Reimbursement of IPO expenses received**						
	Key Management Personnel: Whole Time Directors	-	9.21	-	-	-	-
	Key Management Personnel: Other than Whole Time Directors	-	1.90	-	-	-	-
	Key Management Personnel: Relatives	-	18.21	-	-	-	-
		-	29.32	-	-	-	-

Notes:

(1) Loans and Guarantees are given for the general business purposes of related parties.

(2) Unsecured loans given to subsidiaries and interest thereon are measured at amortised cost. The difference between the carrying amount and actual amount is accounted as net gain / loss under other income / finance cost, as the case may be. Below are the details of actual amount of loan and interest receivable from subsidiaries:

Rs. in million

Particulars	Tenure of loan and Interest	Rate of Interest	Loans		Interest accrued on loans	
			31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Emcure Nigeria Limited	45 months	6% - 8.3%	49.43	64.11	41.82	46.08
Emcure Brasil Farmaceutica Ltda.	45 months	5.4% - 9.22%	123.02	121.20	80.69	70.63
Emcure Pharma Mexico S.A. DE C.V.	45 months	8.3% - 9.22%	86.90	85.62	40.56	32.39
Marcan Pharmaceuticals Inc.	24 months	5.00%	-	23.97	-	-
Emcure Pharma Chile SpA	36 months	7.11%	33.36	-	1.52	-
Emcure Pharma Philippines Inc	36 months	6.97% - 7.24%	49.87	24.65	2.92	0.22
Total			342.58	319.55	167.51	149.32
% of Loan given to related parties as % of total loans			100%	100%	-	-

(3) Also refer note no. 47 for the details of the collateral security and note no. 42(c) for the details of financial guarantee given by the Company against the loans obtained by the subsidiaries.

(4) All related party transactions entered during the year and outstanding balances were in ordinary course of the business and are on an arm's length basis. Outstanding balances are unsecured and to be settled in cash.

(5) On October 9, 2023, the Board of the Company approved proposal for acquisition of Canadian entities i.e. (i) JFL Inc., Gestion Nirdac Inc., Gestion Stéphane Turcotte Inc., Gestion Beflan Inc., Gestion Éléograph Inc. (collectively 'Mantra Holdcos') (ii) Mantra Pharma Inc. ('Mantra') (iii) Mantra Distribution Inc. (Subsidiary of Mantra Pharma Inc.) and (iv) Myriad Pharma Inc. ('Myriad') for a consideration of CAD 57.64 million and issue of Preference shares which will be valued based on EBITDA of acquired group in subsequent years. Pursuant to said transaction, on November 06, 2023, Mantra Pharma Inc became subsidiary of Marcan Pharmaceuticals Inc., a step down subsidiary of the Company.

Note 44 : Assets and liabilities relating to employee benefits

a) *Defined contribution plans*
The Company has certain defined contribution plans. Contributions are made as per local regulations. The contributions are made to registered provident fund/pension fund/other fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Defined Contribution Plans: The Company has recognised the following amount in the Statement of Profit and Loss for the year;

Rs. in million

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Contribution to Employees Provident Fund	217.61	193.62
Contribution to Employees Family Pension Fund	93.07	89.37
Other defined contribution plan	40.12	36.87
Total	350.80	319.86

b) *Post-employment obligations*
Gratuity
The Company has a defined benefit gratuity plan for employees governed by the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contributions to fund managed by Life Insurance Corporation of India. Contributions are made as per the demands by LIC of India.

These defined benefit plans expose the Company to actuarial risks, such as interest rate risk, etc.

c) *Defined benefit plans*
The amounts recognised in the balance sheet, profit or loss, other comprehensive income and the movements in the net defined benefit obligation are as follows:

Rs. in million

Particulars	Present value of obligation	Fair value of plan assets	Total
As at April 1, 2023	**634.70**	**(576.28)**	**58.42**
Current service cost	104.72	-	104.72
Transfer In/ (out)	(0.15)	(0.13)	(0.28)
Interest expenses/(income)	43.32	(41.42)	1.90
Mortality charges and taxes	-	2.30	2.30
Total amount recognised in profit and loss	**147.89**	**(39.25)**	**108.64**
Remeasurement of:			
- Return on plan assets, excluding amounts included in interest expense/(income)			
Actuarial (gain)/ losses - experience	-	14.75	14.75
Actuarial (gain)/ losses - financial assumptions	-	(6.81)	(6.81)
- Defined benefit obligations			
Actuarial (gain)/ losses - experience	(5.19)	-	(5.19)
Actuarial (gain)/ losses - demographic changes	-	-	-
Actuarial (gain)/ losses - financial assumptions	2.80	-	2.80
Total amount recognised in other comprehensive income	**(2.39)**	**7.94**	**5.55**
Employer contribution	-	(64.44)	(64.44)
Benefit payments	(82.49)	82.49	-
As at March 31, 2024	**697.71**	**(589.54)**	**108.17**

Rs. in million

Particulars	Present value of obligation	Fair value of plan assets	Total
As at April 1, 2022	**616.21**	**(511.52)**	**104.69**
Current service cost	110.47	-	110.47
Transfer In/ (out)	(1.60)	2.18	0.58
Interest expenses/(income)	35.16	(32.12)	3.04
Mortality charges and taxes	-	4.15	4.15
Total amount recognised in profit and loss	**144.03**	**(25.79)**	**118.24**
Remeasurement of:			
- Return on plan assets, excluding amounts included in interest expense/(income)			
Actuarial (gain)/ losses - experience	-	(2.76)	(2.76)
Actuarial (gain)/ losses - financial assumptions	-	(3.69)	(3.69)
- Defined benefit obligations			
Actuarial (gain)/ losses - experience	(15.28)	-	(15.28)
Actuarial (gain)/ losses - demographic changes	-	-	-
Actuarial (gain)/ losses - financial assumptions	(32.55)	-	(32.55)
Total amount recognised in other comprehensive income	**(47.83)**	**(6.45)**	**(54.28)**
Employer contribution	-	(110.23)	(110.23)
Benefit payments	(77.71)	77.71	-
As at March 31, 2023	**634.70**	**(576.28)**	**58.42**

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Note 44 : Assets and liabilities relating to employee benefits (continued)

d) *The net liability disclosed above relating to funded plans are as follows:*

Rs. in million

Particulars	As at 31-Mar-24	As at 31-Mar-23
Present value of obligation	697.71	634.70
Fair value of plan assets	(589.54)	(576.28)
Deficit of funded plan	108.17	58.42

The Company has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The Company intends to continue to contribute the defined benefit plans as per the demand from LIC of India.

Principal actuarial assumptions as at the reporting date:

Particulars	As at 31-Mar-24	As at 31-Mar-23
a) Discount rate	7.20%	7.30%
b) Expected rate of return on plan assets	7.30%	6.10%
c) Salary escalation rate	9.00%	9.00%
d) Withdrawal rate		
Field staff	30.00%	30.00%
Factory staff	20.00%	20.00%
e) Mortality table	IALM(2012-14) ult	IALM(2012-14) ult

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

Normal retirement age is 58 years.

e) *Sensitivity analysis* :

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

Rs. in million

Change in assumption	Impact on defined benefit obligation			
	Increase in assumption		Decrease in	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Discount rate by 1%	(27.04)	(24.84)	29.31	26.94
Salary escalation rate by 1%	22.00	20.29	(20.71)	(19.09)
Withdrawal rate by 1%	(2.66)	(2.34)	2.90	2.56

Assumptions regarding future mortality for gratuity benefit is set based on actuarial advice in accordance with published statistics and experience in the domicile country of the company.

f) *Risk exposure*

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed

i) Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. All assets are maintained with fund managed by LIC of India.

ii) Changes in bond yields: A decrease in bond yields will increase plan liabilities.

iii) Future salary escalation and inflation risk : Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence company is encouraged to adopt asset-liability management.

The Company's assets are maintained in a trust fund managed by public sector insurance company via, LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years.

g) *Defined benefit liability and employer contributions*

The Company has agreed that it will aim to eliminate the deficit in gratuity plan over the years. Funding levels are assessed by LIC on annual basis and the Company makes contribution as per the instructions received from LIC. The Company compares the expected contribution to the plan as provided by actuary with the instruction from LIC and assesses whether any additional contribution may be required. The Company considers the future expected contribution will not be significantly increased as compared to actual contribution.

Expected contributions to post-employment benefit plans for next year is Rs. 108.20 million (March 31, 2023 - Rs. 58.40 million).

The weighted average duration of the defined benefit obligation is 4.86 years (March 31, 2023: 4.9 years). The following benefits payments are expected to be paid:

Rs. in million

	Less than 1 year	between 1-2 years	between 2-5 years	over 5 years	Total
March 31, 2024					
Defined benefit obligation - gratuity	153.87	142.01	376.47	503.65	1,176.00
March 31, 2023					
Defined benefit obligation - gratuity	136.30	126.53	355.15	469.15	1,087.13

h) *Major plan assets*

Rs. in million

	As at 31-Mar-24 Unquoted	As at 31-Mar-23 Unquoted
Investment funds		
- Insurance Funds (LIC Pension and Group Schemes fund)	589.54	576.28
Total	589.54	576.28

The category wise details of the plan assets is not available as it's maintained by LIC.

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Note 45: Employees stock option plan

As at March 31, 2024, the Company has the following share-based payment arrangement:

Share option plans (equity settled)
"Emcure ESOS 2013": The Board vide its resolution granted employee stock options as under to the eligible employees under "Emcure ESOS 2013" in compliance with the provisions of the applicable law and rules framed thereunder.

Resolution date	Tranche No	Grant Date	Exercise Price	Total Options Granted
10-Oct-13	Tranche - 01	01-Oct-13	165.07	2,270,000
14-Mar-16	Tranche - 02	14-Mar-16	452.57	580,000
07-Jul-17	Tranche - 03	07-Jul-17	243.82	100,000
01-Nov-18	Tranche - 04	01-Nov-18	465.82	840,000
01-Dec-18	Tranche - 05	01-Dec-18	465.82	240,000
01-Feb-19	Tranche - 06	01-Feb-19	465.82	230,000
06-Jun-19	Tranche - 07	06-Jun-19	465.82	625,000
08-Nov-19	Tranche - 08	08-Nov-19	523.82	455,000
04-Feb-20	Tranche - 09	04-Feb-20	523.82	70,000
22-Jul-20	Tranche - 10	22-Jul-20	563.82	180,000
09-Nov-20	Tranche - 11	09-Nov-20	563.82	40,000
27-May-21	Tranche - 12	27-May-21	862.07	340,000
22-Feb-22	Tranche - 13	22-Feb-22	1,000.05	110,000
20-Oct-22	Tranche - 14	20-Oct-22	1,008.21	30,000
13-Feb-23	Tranche - 15	13-Feb-23	1,008.21	250,000

The eligible employees, including directors, are determined by the Remuneration Committee from time to time. These options will vest over period of 3 to 5 years from the grant date and are subject to the condition of continued service of the employees.

Once vested the option can be exercised within 5 years from date of Initial Public Offer (IPO). The exercise price of the options is equal to fair market value of the shares as determined by an independent valuer as at grant dates. If IPO does not take place or shares are not listed within 2 years from the date of grant, Remuneration committee at its sole discretion, subject to prior approval of the Company's shareholders' can settle the vested options in cash or allow exercise of option before listing at a price arrived at by an independent valuer. Post approval of shareholders, 300,000 options have exercised and 210,000 options have been settled in cash during the year ended March 31, 2024.

Options granted under this scheme carry no dividend or voting rights. When exercised, one option is convertible into one equity share.

Movement of the options granted under the plan is as below:

March 31, 2024	Grant Date	Balance as on 01-Apr-23	Grant during the year	Cancelled during the year	Exercised during the year	Settled during the year	Balance as on 31-Mar-24	Exercisable	Revised Exercise Price
Tranche - 01	01-Oct-13	670,000	-	(20,000)	(210,000)	(210,000)	230,000	-	165.07
Tranche - 02	14-Mar-16	60,000	-	-	-	-	60,000	-	452.57
Tranche - 06	01-Feb-19	30,000	-	-	-	-	30,000	-	465.82
Tranche - 07	06-Jun-19	130,000	-	-	(90,000)	-	40,000	-	465.82
Tranche - 08	08-Nov-19	80,000	-	-	-	-	80,000	-	523.82
Tranche - 09	04-Feb-20	10,000	-	-	-	-	10,000	-	523.82
Tranche - 10	22-Jul-20	95,000	-	-	-	-	95,000	-	563.82
Tranche - 11	09-Nov-20	40,000	-	-	-	-	40,000	-	563.82
Tranche - 12	27-May-21	255,000		(20,000)			235,000		862.07
Tranche - 13	22-Feb-22	40,000	-	-	-	-	40,000	-	1,000.05
Tranche - 15	13-Feb-23	250,000	-	(20,000)	-	-	230,000	-	1,008.21
Total/ Weighted average exercise price		1,660,000	-	(60,000)	(300,000)	(210,000)	1,090,000		638.04

March 31, 2023	Grant Date	Balance as on 01-Apr-22	Grant during the year	Cancelled during the year	Exercised during the year	Settled during the year	Balance as on 31-Mar-23	Exercisable	Revised Exercise Price
Tranche - 01	01-Oct-13	730,000	-	(60,000)	-	-	670,000	-	165.07
Tranche - 02	14-Mar-16	60,000	-	-	-	-	60,000	-	452.57
Tranche - 06	01-Feb-19	30,000	-	-	-	-	30,000	-	465.82
Tranche - 07	06-Jun-19	130,000	-	-	-	-	130,000	-	465.82
Tranche - 08	08-Nov-19	185,000	-	(105,000)	-	-	80,000	-	523.82
Tranche - 09	04-Feb-20	10,000	-	-	-	-	10,000	-	523.82
Tranche - 10	22-Jul-20	180,000	-	(85,000)	-	-	95,000	-	563.82
Tranche - 11	09-Nov-20	40,000	-	-	-	-	40,000	-	563.82
Tranche - 12	27-May-21	340,000	-	(85,000)	-	-	255,000	-	862.07
Tranche - 13	22-Feb-22	110,000	-	(70,000)	-	-	40,000	-	1,000.05
Tranche - 14	20-Oct-22	-	30,000	(30,000)					1,008.21
Tranche - 15	13-Feb-23	-	250,000	-	-	-	250,000	-	1,008.21
Total/ Weighted average exercise price		1,815,000	280,000	(435,000)	-	-	1,660,000		510.50

No options have expired or exercised during the periods covered in the above table.

Weighted average remaining contractual life of options as at year end is 6.29 Years (March 31, 2023 : 6.46 Years)

Fair value of equity settled share based payment arrangements:
No employee stock options were granted during the year ended March 31, 2024.

2,80,000 employee stock options were granted during the year ended March 31, 2023. The fair value as at grant date is determined using the Black Scholes Merton Model which takes into account the exercise price, term of option, share price at grant date, expected price volatility of underlying share, expected dividend yield and risk free interest rate for the term of option.

The model inputs for options granted during the year ended March 31, 2023 included:

Sr.	Particulars	Tranche - 14	Tranche - 15
a.	Options granted	30,000	250,000
b.	Exercise Price Rs.	1,008.21	1,008.21
c.	Share Price at grant date	1,008.21	1,008.21
d.	Date of grant	20-Oct-22	13-Feb-23
e.	Expected price volatility of the company's shares	33.00%	33.00%
f.	Expected dividend yield	1.00%	1.00%
g.	Risk free interest rate	7.26%	7.26%
h.	Expected life of options	3.03	3.03

Volatility is a measure of the movement in the prices of the underlying assets. Since the Company is an unlisted Company, volatility of similar listed entities has been considered. Expected volatility has been based on an evaluation of the historical volatility of the similar listed entities (peers) share price, particularly over the historical period commensurate with the expected term. The expected term of the instrument has been based on historical experience and general option holder behaviour.

Expenses recognised in statement of profit and loss:

Rs. in million

Particulars	31-Mar-24	31-Mar-24
Employee share-based payment	38.54	22.68

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Note 46 : Revenue from operations

Rs. in million

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Revenue recognised from contracts with customers	34,689.78	30,889.94
Other operating revenue	286.77	180.92
Total	**34,976.55**	**31,070.86**
Disaggregation of revenue		
Based on markets		
Within India	19,533.95	19,536.82
Outside India -		
a. Europe	3,586.37	1,774.60
b. North America	2,564.07	2,305.64
c. Other continents	9,292.16	7,453.80
Total	**34,976.55**	**31,070.86**
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the year	118.81	80.70

A) There is no significant change in the contract liabilities.

B) The Company satisfies its performance obligations pertaining to the sale of goods at point in time when the control of goods is actually transferred to the customers. No significant judgment is involved in evaluating when a customer obtains control of promised goods. The contract with customers are generally fixed price contract (except for contracts with subsidiaries, wherein there is variable consideration) subject to refund due to returns and do not contain any financing component. The payment is generally due within 7-180 days. The Company is obliged for returns/refunds due to expiry & saleable returns. There are no other significant obligations attached in the contract with customer.

C) There is no significant judgement involved in ascertaining the timing of satisfaction of performance obligation and in evaluating when a customer obtains control of promised goods. Transaction price ascertained for the performance obligation of the Company is agreed in the contract with the customer. Further, the variable consideration is an estimate amount arrived by using expected value method.

D) Reconciliation of contract price with revenue recognised in statement of profit and loss:

Rs. in million

Particulars	31-Mar-24	31-Mar-23
Contract price	35,358.26	31,508.96
Less:		
Amount recognised as sales returns & breakage expiry	(686.49)	(603.42)
Allowance for interest loss	18.01	(15.60)
Revenue recognised in statement of profit and loss	**34,689.78**	**30,889.94**

E) Major customer

There is no customer having sales of more than 10% of Company's total revenue for the year ended March 31, 2024 and March 31, 2023.

Receivable from Avet Lifesciences Private Limited of Rs. 1,741.41 million is more than 10% of the Company's total receivable for the year ended March 31, 2024.

Receivable from Avet Lifesciences Private Limited of Rs. 1,628.71 million and from Emcure Pharma Peru S.A.C. of Rs. 1,600.32 million is more than 10% of the Company's total receivable for the year ended March 31, 2023.

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Notes to the standalone financial statements (continued)
For the year ended March 31, 2024

Note 47 : Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Rs. in million

Particulars	Note	31-Mar-24	31-Mar-23
Current			
Financial assets			
Cash and cash equivalents	11A	118.71	1,220.15
Bank balances other than cash and cash equivalents	11B	202.51	190.02
Trade receivables	10	11,032.86	10,544.96
Other current financial assets	12	767.60	894.48
Non-financial assets			
Inventories	9	7,702.74	7,099.33
Other current assets	13	1,355.67	1,446.11
Total current assets pledged as security		**21,180.09**	**21,395.05**
Non Current			
Financial assets			
Deposits with banks	7	8.51	22.00
Investments	5	-	3,110.08
Non-financial assets			
Property, plant, equipment, leasehold land, intangible assets and capital work-in-progress	2A, 2B, 3, 4	14,535.74	13,721.78
Total non-current assets pledged as security		**14,544.25**	**16,853.86**
Total assets pledged as security		**35,724.34**	**38,248.91**

EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2024

Note 48 : Segment reporting

The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the Company's consolidated financial statements. Accordingly, segment information has been provided only in the consolidated financial statements.

Note 49 : Expenditure on research and development

The total expenditure incurred on Research and Development including in house Research and Development during the year is as follows;

Rs. in million

Particulars	31-Mar-24	31-Mar-23
Revenue	1,692.92	1,604.73
Capital	86.05	56.18
Total	1,778.97	1,660.91
R&D expenditure as a % of revenue from operations	5.09%	5.35%

Note 50 : Information regarding Micro, Small and Medium Enterprises

The information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Rs. in million

Particulars	31-Mar-24	31-Mar-23
i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	-	-
a. Principal outstanding and not overdue as per MSME act	122.43	130.88
b. Principal outstanding and overdue as per MSME act and interest due thereon	-	-
ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	61.67	81.82
iii) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprise Development Act, 2006	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.05	0.07
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

Note 51 : Indirect tax refund received

The Company is entitled to receive subsidy in the form of Budgetary Support under Goods and Service Tax as per fixed percentage of Central Tax / IGST paid in cash after full utilisation of input tax credit) by its unit at Jammu and Kashmir which is valid till May 2026. There are no unfulfilled conditions or other contingencies related to the Scheme.

Note 52 : Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a corporate social responsibility (CSR) committee has been formed by the Company. The areas for CSR activities are promoting education, healthcare and ensuring environmental sustainability. Amount spent during the year on activities which are specified in Schedule VII of the Companies Act 2013 are as mentioned below:

Rs. in million

Particulars	31-Mar-24	31-Mar-23
(a) amount required to be spent by the company for the full year		
Total Amount required to be spent by compnay	92.27	92.03
Less: Utilisation of excess balance relating to earlier years approved by board	(15.47)	-
Net amount required to be spent by the company	76.80	92.03
(b) amount of expenditure incurred till date;		
Paid		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	86.38	101.19
Yet to be paid		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	-	-
Total	86.38	101.19
(c) shortfall at the end of the year	-	-
(d) reason for shortfall	N/A	N/A
(e) total of previous years shortfall	-	-
(f) Movement in excess CSR Spent balance relating to earlier years		
Opening balance	15.47	6.31
Add: Excess spent in current year	9.58	9.16
Less: Utilisation of balance during the current year	(15.47)	-
Closing balance	9.58	15.47
(g) nature of CSR activities	Promoting Healthcare, Education, Environment Sustainability, Rural sports, Woman Empowerment, Promotion of classical Music & Contribution to Department of Atomic Energy	Promoting Healthcare, Education, Rural development projects, Environment Sustainability & Training to promote rural and/or nationally recognised sports

B S R & Co. LLP Chartered Accountants

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Note 53 : Government Grant

The Company has received eligibility under Production Linked Incentive scheme of the Government of India. The Company has recognized income of Rs. 153.56 million as on March 31, 2024 (March 31, 2023 : Rs. 71.70 million) under the said scheme. Balance receivable under this scheme of Rs. 155.00 million as on March 31, 2024 (March 31, 2023: Rs. 34.05 million) is disclosed under 'other current financial assets '. There are no unfulfilled conditions or other contingencies attached to this grant.

Note 54 : Additional regulatory information required by Schedule III

i. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

iii. The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

iv. The Company has complied with the number of layers prescribed under the Companies Act, 2013.

v. The Company has not entered into any scheme of arrangement which has an accounting impact on current financial year.

vi. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

vii. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

viii. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

x. The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

xi. The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 2A to the financial statements, are held in the name of the company.

xii. There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

xiii. The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were was taken.

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Note 55 : Ratios as per the Schedule III requirements

(a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	31-Mar-24	31-Mar-23
Current Assets	21,234.33	21,395.05
Current Liabilities	21,301.16	19,963.32
Ratio	**1.00**	**1.07**
% change from 31 March 2023	**-7%**	

Reason for change more than 25%:
Change is not more than 25%.

(b) Debt Equity ratio = Total debt divided by Total equity

Particulars	31-Mar-24	31-Mar-23
Total debt	14,144.98	16,677.57
Total equity	19,350.97	18,418.68
Ratio	**0.73**	**0.91**
% change from 31 March 2023	**-19%**	

Reason for change more than 25%:
Change is not more than 25%.

(c) Debt Service Coverage Ratio = Earnings available for debt services divided by Total interest, Lease payments and principal repayments

Particulars	31-Mar-24	31-Mar-23
Profit for the year	1,608.34	1,600.62
Add: Depreciation and amortizations	2,048.32	1,785.24
Add: Finance cost	1,660.92	1,668.33
Add: (Profit)/loss on sale of property, plant and equipment	(72.72)	2.53
Earnings available for debt services	**5,244.86**	**5,056.72**
Finance cost paid	1,537.76	1,420.67
Lease payments	317.08	188.97
Principal repayments (including certain prepayments)	3,208.56	1,901.21
Total Interest and Principal repayments	**5,063.40**	**3,510.85**
Ratio	**1.04**	**1.44**
% change from previous year	**-28%**	

Reason for change more than 25%:
Significant prepayments and Lower profitability on account of increase in costs has lead to decline in debt service coverage ratio.

(d) Return on Equity Ratio / Return on Investment Ratio = Profit for the year divided by average equity

Particulars	31-Mar-24	31-Mar-23
Profit for the year	1,608.34	1,600.62
Average equity	18,884.83	17,771.99
Ratio	**9%**	**9%**
% change from previous year	**-5%**	

Reason for change more than 25%:
Change is not more than 25%.

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EMCURE PHARMACEUTICALS LIMITED
Notes to the standalone financial statements (continued)
For the year ended March 31, 2024

(e) Inventory Turnover Ratio = Cost of goods sold divided by average inventory

Particulars	31-Mar-24	31-Mar-23
Cost of goods sold	13,629.66	12,136.94
Average Inventory	7,401.04	7,201.88
Ratio	**1.84**	**1.69**
% change from previous year	**9%**	

Reason for change more than 25%:
Change is not more than 25%.

(f) Trade Receivables turnover ratio = Revenue from operations (excluding other operating revenue) divided by average trade receivables

Particulars	31-Mar-24	31-Mar-23
Revenue from operations	34,976.55	31,070.86
Less: other operating revenue	(286.77)	(180.92)
Net sales	**34,689.78**	**30,889.94**
Average Trade Receivables	10,788.91	10,317.94
Ratio	**3.22**	**2.99**
% change from previous year	**7%**	

Reason for change more than 25%:
Change is not more than 25%.

(g) Trade payables turnover ratio = Credit purchases divided by average trade payables

Particulars	31-Mar-24	31-Mar-23
Credit Purchases	23,190.29	19,665.42
Average Trade Payables	7,473.54	6,374.03
Ratio	**3.10**	**3.09**
% change from previous year	**1%**	

Reason for change more than 25%:
Change is not more than 25%.

(h) Net capital Turnover Ratio = Net sales divided by Net Working Capital (whereas net working capital = current assets - current liabilities)

Particulars	31-Mar-24	31-Mar-23
Net Sales	34,689.78	30,889.94
Net working capital	(66.83)	1,431.73
Ratio	**(519.07)**	**21.58**
% change from previous year	**-2506%**	

Reason for change more than 25%:
Lower profitability and increase in holding period for payables has lead to increase net capital turnover ratio.

(i) Net profit ratio = Profit for the year divided by net sales

Particulars	31-Mar-24	31-Mar-23
Profit for the year	1,608.34	1,600.62
Net Sales	34,689.78	30,889.94
Ratio	**5%**	**5%**
% change from previous year	**-11%**	

Reason for change more than 25%:
Change is not more than 25%.

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(j) **Return on capital employed = EBIT divided by Capital Employed (total equity plus debt and deferred tax liability)**

Particulars	31-Mar-24	31-Mar-23
Profit for the year	1,608.34	1,600.62
Add: Depreciation and amortisation expense	2,048.32	1,785.24
Add: Finance costs	1,660.92	1,668.33
Add: Tax expenses	390.78	522.76
EBITDA	**5,708.36**	**5,576.95**
EBIT	**3,660.04**	**3,791.71**
Total equity	**19,350.97**	**17,771.99**
Deferred tax liability	**289.42**	**302.41**
Non-current borrowings	4,382.09	6,006.50
Current borrowings	9,762.89	10,671.07
Total debt	**14,144.98**	**16,677.57**
EBIT	3,660.04	3,791.71
Capital Employed	33,785.37	34,751.97
Ratio	**11%**	**11%**
% change from previous year	**-1%**	

Reason for change more than 25%:
Change is not more than 25%.

Note 56 : Code of Social Security

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code.

Note 57 : Initial Public Offering ("IPO")

During the year ended March 31, 2022, the Company had filed Draft Red Herring Prospectus ('DRHP') with the Securities and Exchange Board of India ("SEBI"), and an application for In-principle approval from BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") in connection with proposed Initial Public Offering ("IPO") of its equity shares. The Company in connection with proposed Initial Public Offering ("IPO") of its Equity Shares, received observation letter dated December 08, 2021 from the Securities and Exchange Board of India ("SEBI"), which was valid until December 07, 2022 and has since then lapsed. Accordingly the In-principle approvals received from BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on August 30, 2021 & September 08, 2021, respectively are no longer valid.

During the year ended March 31, 2024, the Company has filed Draft Red Herring Prospectus ('DRHP 2023') with the Securities and Exchange Board of India ("SEBI"), and an application for In-principle approval from BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") in connection with proposed Initial Public Offering ("IPO") of its equity shares. The Company has received In-principle approval from BSE & NSE on March 28, 2024. The Company has responded to initial observations received from SEBI and awaits final observation letter.

Note 58 : HDT Matter

Emcure Pharmaceuticals, Ltd. ("Emcure") was sued by HDT in the United States District Court (US Court) on March 21, 2022 alleging misappropriation of its trade secrets. Emcure defended the proceedings and on December 4, 2023, the US Court dismissed HDT's claims without prejudice.

Note 59 : Events occurring after the March 31, 2024

There are no significant events subsequent to year ended March 31, 2024.

Note 60 : Authorisation of Standalone Financial statements

The standalone financial statements were approved by the Board of Directors on May 27, 2024.

The notes referred to above form an integral part of the standalone financial statements.

As per our report of even date attached.

For B S R & Co. LLP
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: 27-May-2024

For and on behalf of the Board of Directors
Emcure Pharmaceuticals Limited
CIN: U24231PN1981PLC024251

Berjis Desai
Non-executive Director & Chairman
DIN: 00153675

Satish Mehta
Managing Director & CEO
DIN: 00118691

Chetan Sharma
Company Secretary
Membership No. F8352

Tajuddin Shaikh
Chief Financial Officer

Place: Pune
Date: 27-May-2024

B S R & Co. LLP
Chartered Accountants

8th floor, Business Plaza
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Independent Auditor's Report

To the Members of Emcure Pharmaceuticals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Emcure Pharmaceuticals Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2024, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Management's and Board of Directors Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from

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material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

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

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

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

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

supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

a. We did not audit the financial statements / financial information of 17 subsidiaries, whose financial statements/financial information reflects total assets (before consolidation adjustments) of Rs. 35,772.75 million as at 31 March 2024, total revenues (before consolidation adjustments) of Rs. 27,299.38 million and net cash flows (net) (before consolidation adjustments) amounting to Rs. 671.26 million 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 sub-section (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.

   All of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements/financial information of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

b. The financial statements/financial information of 3 subsidiaries, whose financial statements/financial information reflects total assets (before consolidation adjustments) of Rs. 629.92 million as at 31 March 2024, total revenues (before consolidation adjustments) of Rs. 1,083.09 million and net cash out flows (net) (before consolidation adjustments) amounting to Rs. 36.89 million for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements/unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/this financial information are not material to the Group.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report, 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 except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2024, received on 01 April 2024, taken on record by the Board of Directors of the Holding Company and our reports on the subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group. Refer Note 44 to the consolidated financial statements.

b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2024.

c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2024.

d (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the Note 62(vi) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the Note 62(vii) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate In the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. With reference to the dividend declared or paid during the year by the Company incorporated in India:

The interim dividend declared and paid by the Holding Company and one of its subsidiary which is a Company incorporated in India, during the year and until the date of this audit report is in accordance with Section 123 of the Act.

The final dividend paid by the Holding Company and one of its subsidiary which is a Company incorporated in India, during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it apples to payment of dividend.

f. Based on our examination which included test checks, except for the instances mentioned below, the Holding Company and its subsidiary incorporated in India have used accounting softwares for maintaining its books of accounts, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

i. In case of the Holding Company and its subsidiary companies incorporated in India, the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining all books of accounts.
ii. In case of the Holding Company and its subsidiary companies incorpotated in India, the feature of recording audit trail (edit log) facility was not enabled for certain fields and tables at the application layer of the accounting software used for maintaining books of accounts relating to Revenue and Receivables, Inventory, Property, plant and equipments, Purchase and payables.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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

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

Chartered Accountants

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

abhishek

Abhishek

Partner

Place: Pune

Date: 27 May 2024

Membership No.: 062343

ICAI UDIN:24062343BKEWJV2358

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Emcure Pharmaceuticals Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

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

abhishek

Abhishek
Partner
Membership No.: 062343
ICAI UDIN:24062343BKEWJV2358

Place: Pune
Date: 27 May 2024

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Emcure Pharmaceuticals Limited for the year ended 31 March 2024

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of Emcure Pharmaceuticals Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Emcure Pharmaceuticals Limited for the year ended 31 March 2024 *(Continued)*

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

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

abhishek

Abhishek

Partner

Membership No.: 062343

ICAI UDIN:24062343BKEWJV2358

Place: Pune

Date: 27 May 2024

EMCURE PHARMACEUTICALS LIMITED
Consolidated Financial Statements
Balance Sheet as at March 31, 2024

Rs. in million

Particulars	Note	March 31, 2024	March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	2A	19,485.73	16,046.34
Capital work-in-progress	2B	1,323.45	4,035.31
Right-of-use assets	3	3,162.89	2,065.91
Goodwill	53	3,786.86	2,177.37
Other intangible assets	4	4,809.99	1,179.31
Intangible assets under development	5	267.69	78.80
Financial assets			
i) Investments	6	184.20	250.00
ii) Other non current financial assets	7	407.68	645.80
Deferred tax assets (net)	39	967.96	991.26
Income tax assets (net)	27	872.48	633.07
Other non-current assets	8	193.55	263.02
Total non- current assets		35,462.48	28,366.19
Current assets			
Inventories	9	15,251.00	13,830.27
Financial assets			
i) Investments	10	2,996.51	-
ii) Trade receivables	11	18,588.05	16,483.00
iii) Cash and cash equivalents	12	1,690.00	2,423.42
iv) Bank balances other than (iii) above	13	634.08	2,159.13
v) Other current financial assets	14	689.48	589.32
Other current assets	15	2,695.79	2,873.98
		42,544.91	38,359.12
Assets held for sale	16	54.24	-
Total current assets		42,599.15	38,359.12
Total assets		78,061.63	66,725.31
Equity and liabilities			
Equity			
Equity share capital	17	1,811.52	1,808.52
Other equity	18	27,711.31	23,202.74
Equity attributable to owners of the Holding company		29,522.83	25,011.26
Non-controlling interest	57	1,694.82	1,485.34
Total equity		31,217.65	26,496.60
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	19	7,665.95	7,441.35
ii) Lease Liabilities	3	2,157.41	1,151.80
iii) Other non current financial liabilities	20	2,945.79	495.14
Provisions	21	433.20	396.65
Deferred tax liabilities (net)	39	1,374.24	388.95
Other non-current liabilities	22	162.66	162.90
Total non-current liabilities		14,739.25	10,036.79
Current liabilities			
Financial liabilities			
i) Borrowings	23	13,207.16	14,507.99
ii) Lease Liabilities	3	319.19	241.90
iii) Trade payables	24		
Total outstanding dues of micro and small enterprises		169.10	190.53
Total outstanding dues to others		12,924.57	10,670.57
iv) Other current financial liabilities	25	3,044.24	2,805.87
Other current liabilities	28	1,448.67	886.39
Provisions	26	457.35	400.92
Current tax liabilities (net)	27	534.45	487.75
Total current liabilities		32,104.73	30,191.92
Total liabilities		46,843.98	40,228.71
Total equity and liabilities		78,061.63	66,725.31

The notes referred to above form an integral part of the consolidated financials statements.

As per our report of even date attached.

For B S R & Co. LLP
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: May 27, 2024

For and on behalf of the Board of Directors
Emcure Pharmaceuticals Limited
CIN : U24231PN1981PLC024251

Berjis Desai
Non-executive Director & Chairman
DIN : 00153675

Satish Mehta
Managing Director & CEO
DIN : 00118691

Chetan Sharma
Company Secretary
Membership No. F8352

Tajuddin Shaikh
Chief Financial Officer

Place: Pune
Date: May 27, 2024

EMCURE PHARMACEUTICALS LIMITED
Consolidated Financial Statements
Statement of Profit and Loss (including Other Comprehensive Income) for the year ended March 31, 2024

Rs. in million

Particulars	Note	Year Ended March 31, 2024	Year Ended March 31, 2023
Revenue:			
Revenue from operations	29	66,582.51	59,858.11
Other income	30	569.90	459.05
Total income		67,152.41	60,317.16
Expenses:			
Cost of materials consumed	31	13,331.26	11,465.92
Purchases of stock-in-trade		13,324.83	10,472.45
Changes in inventories of finished goods, work-in-progress and stock-in-trade	32	(1,901.92)	666.90
Employee benefit expenses	33	12,920.80	11,173.32
Depreciation and amortisation expense	35	3,124.07	2,601.18
Finance cost	36	2,371.47	2,136.08
Other expenses	34	16,610.31	14,267.70
Total expenses		59,780.82	52,783.55
Profit before exceptional items and tax		7,371.59	7,533.61
Exceptional items	37	99.31	61.46
Profit before tax		7,272.28	7,472.15
Tax expenses			
Current tax	38	2,096.39	1,732.96
Deferred tax	38	(99.86)	120.74
Total tax expenses		1,996.53	1,853.70
Profit for the year		5,275.75	5,618.45
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations	51	(22.45)	74.52
Tax on post employment benefit obligations	38	5.72	(18.78)
Items that will be reclassified subsequently to profit or loss			
Exchange differences in translating financials statement of foreign operations	18	222.25	108.32
Items that will be reclassified subsequently to profit or loss			
Changes in the fair value of equity instruments at FVOCI		(65.80)	-
Income tax relating to these items		16.56	-
		156.28	164.06
Profit attributable to:			
Owners of the Holding company		4,981.83	5,320.19
Non-controlling interests (refer note under statement of changes in equity)	57	293.92	298.26
Other comprehensive income attributable to:			
Owners of the Holding company		158.81	161.01
Non-controlling interests	57	(2.53)	3.05
Total comprehensive income attributable to:			
Owners of the Holding company		5,140.64	5,481.20
Non-controlling Interests	57	291.39	301.31
Earnings per share			
Basic	48	27.54	29.42
Diluted	48	27.54	29.42
[Face value per share: Rs.10 (Previous year: Rs.10)]			

The notes referred to above form an integral part of the consolidated financials statements.

As per our report of even date attached.

For B S R & Co. LLP
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: May 27, 2024

For and on behalf of the Board of Directors
Emcure Pharmaceuticals Limited
CIN : U24231PN1981PLC024251

Berjis Desai
Non-executive Director & Chairman
DIN : 00153675

Satish Mehta
Managing Director & CEO
DIN : 00118691

Chetan Sharma
Company Secretary
Membership No. F8352

Tajuddin Shaikh
Chief Financial Officer

Place: Pune
Date: May 27, 2024

EMCURE PHARMACEUTICALS LIMITED
Consolidated Financial Statements
Statement of Changes In Equity for the year ended March 31, 2024

Equity share capital	Note	Rs. in million
As at April 1, 2022		1,808.52
Changes in equity share capital	17	-
As at March 31, 2023		**1,808.52**

Equity share capital	Note	Rs. in million
As at April 1, 2023		1,808.52
Changes in equity share capital	17	3.00
As at March 31, 2024		**1,811.52**

Rs. in million

Other equity	Note	Reserves and Surplus				Other Comprehensive Income	Total	Non controlling Interest	Total
		Securities premium	Share options outstanding account	General reserve	Retained earning	Foreign currency translation reserve			
As at April 1, 2022		-	**159.20**	**797.99**	**16,953.06**	**156.71**	**18,066.96**	**1,265.94**	**19,332.90**
Profit for the year		-	-	-	5,320.19	-	5,320.19	298.26	5,618.45
Remeasurement of post-employment benefit obligations (Net Of tax)	18	-	-	-	52.69	-	52.69	3.05	55.74
Exchange differences in translating financials statement of foreign operations	18	-	-	-	-	108.32	108.32	-	108.32
		-	-	-	5,372.88	108.32	5,481.20	301.31	5,782.51
Transactions with owners, recorded directly in equity									
Interim dividend on equity Shares	18	-	-	-	(180.85)	-	(180.85)	(61.43)	(242.28)
Final dividend on equity shares	18	-	-	-	(180.85)	-	(180.85)	(20.48)	(201.33)
		-	-	-	(361.70)	-	(361.70)	(81.91)	(443.61)
Others									
Employee share based expense	52	-	52.76	-	-	-	52.76	-	52.76
Options settled in cash during the year		-	(27.41)	-	-	-	(27.41)		(27.41)
Options forfeited	18	-	(36.04)	36.04	-	-	-	-	-
Income tax on above	38	-	-	(9.07)	-	-	(9.07)	-	(9.07)
		-	(10.69)	26.97	-	-	16.28	-	16.28
As at March 31, 2023		-	**148.51**	**824.96**	**21,964.24**	**265.03**	**23,202.74**	**1,485.34**	**24,688.08**

EMCURE PHARMACEUTICALS LTD. ★ PUNE ★

EMCURE PHARMACEUTICALS LIMITED
Consolidated Financial Statements
Statement of Changes In Equity for the year ended March 31, 2024

Rs. in million

Other equity	Note	Reserves and Surplus				Other Comprehensive Income	Total	Non controlling interest	Total
		Securities premium	Share options outstanding account	General reserve	Retained earning	Foreign currency translation reserve			
As at April 1, 2023		-	**148.51**	**824.96**	**21,964.24**	**265.03**	**23,202.74**	**1,485.34**	**24,688.08**
Profit for the year		-	-	-	4,981.83	-	4,981.83	293.92	5,275.75
Remeasurement of post-employment benefit obligations (Net of tax)	18	-	-	-	(14.20)	-	(14.20)	(2.53)	(16.73)
Changes in the fair value of equity instruments at FVOCI (Net of tax)	18				(49.24)	-	(49.24)	-	(49.24)
Exchange differences in translating financials statement of foreign operations	18	-	-	-	-	222.25	222.25	-	222.25
		-	-	-	4,918.39	222.25	5,140.64	291.39	5,432.03
Transactions with owners, recorded directly in equity									
Interim dividend on equity Shares					(361.70)		(361.70)	(61.43)	(423.13)
Dividend distribution tax on above									
Final dividend on equity Shares	18	-	-	-	(180.85)	-	(180.85)	(20.48)	(201.33)
		-	-	-	(542.55)	-	(542.55)	(81.91)	(624.46)
Others									
Employee share based expense	52	-	39.67	-	-	-	39.67	-	39.67
Excerise of share options		98.84	(25.25)	-	-	-	73.59	-	73.59
Options settled during the year		-	-	(202.36)	-	-	(202.36)	-	(202.36)
Options forfeited or settled	18	-	(17.96)	17.96	-	-	-	-	-
Income tax on above	38	-	-	(0.42)	-	-	(0.42)	-	(0.42)
		98.84	(3.54)	(184.82)	-	-	(89.52)	-	(89.52)
As at March 31, 2024		**98.84**	**144.97**	**640.14**	**26,340.08**	**487.28**	**27,711.31**	**1,694.82**	**29,406.13**

Note :
1. The notes referred to above form an integral part of the consolidated financials statements.
2. For description of nature and purpose of Reserves refer note 18.

As per our report of even date attached.

For **B S R & Co. LLP**
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek
Partner
Membership No. 062343

For and on behalf of the Board of Directors
Emcure Pharmaceuticals Limited
CIN : U24231PN1981PLC024251

Berjis Desai
Non-executive Director & Chairman
DIN : 00153675

Satish Mehta
Managing Director & CEO
DIN : 00118691

Chetan Sharma
Company Secretary
Membership No. F8352

Tajuddin Shaikh
Chief Financial Officer

Place: Pune
Date: May 27, 2024

Place: Pune
Date: May 27, 2024

EMCURE PHARMACEUTICALS LIMITED
Consolidated Financial Statements
Statement of Cash Flows for the year ended March 31, 2024

Rs. in million

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Cash flows from operating activities:		
Profit before tax	7,272.28	7,472.15
Adjustment for:		
Depreciation and amortisation	3,124.07	2,601.18
Net gain on financial assets measured at FVTPL	(2.16)	
Unrealised exchange loss / (gain)	216.76	279.40
Finance costs	2,371.47	2,136.08
Employee share-based payment expense	39.67	52.76
Interest income from banks and others	(207.59)	(118.34)
Income arising from government grant (EPCG)	-	(29.70)
(Profit) / Loss on sale of property, plant and equipments	(71.92)	3.33
Gain on termination of leases	(15.67)	-
(Profit) on Sale of Investment	(23.16)	(1.21)
	12,703.75	12,395.65
Working capital adjustments:		
- (Increase)/ decrease in inventories	(267.61)	663.85
- Increase in trade receivables	(1,506.07)	(3,397.94)
- Increase in other financial assets	(156.03)	(83.95)
- Decrease in other assets	259.96	39.91
- Increase/ (decrease) in trade payables	1,542.65	(391.80)
- Increase in other financial liabilities	272.37	197.85
- Increase in other liabilities	289.87	35.58
- Increase in provisions	70.03	14.15
	505.17	(2,922.35)
Cash generated from operating activities	13,208.92	9,473.30
Income tax paid (net of refunds)	(2,236.52)	(2,004.76)
Net cash generated from operating activities (A)	10,972.40	7,468.54
Cash flows from investing activities		
Acquisition of property, plant and equipment, capital work-in-progress and Leasehold land rights	(2,757.72)	(3,905.97)
Acquisition of intangible assets and intangible assets under development	(313.60)	(127.67)
Proceeds from sale of property, plant and equipment and transfer of Leasehold land rights	107.86	12.75
Advance received against assets held for sale	207.51	-
Investment in mutual funds and Non convertible debentures	(8,990.00)	(807.00)
Proceeds from sale of mutual funds	6,123.16	808.21
Consideration paid on acquisition of Subsidiary, net of cash acquired (refer note 63)	(3,450.73)	-
Interest received from banks and others	179.46	52.40
Term deposit placed	(1,002.81)	(1,842.46)
Term deposit matured	2,771.75	1,132.89
Net cash generated (used) in investing activities (B)	(7,125.12)	(4,676.85)
Cash flows from financing activities		
Proceeds from issue of shares	76.60	-
Payment on account of settlement of Employee stock options	(202.36)	-
Repayment of long-term borrowings (refer footnote 1 below)	(4,822.90)	(3,427.30)
Proceeds from long-term borrowings	5,474.29	3,575.88
Proceeds from / (repayments) of short-term borrowings (net)	1,025.44	976.79
Interest paid (refer footnote 2 below)	(2,081.81)	(1,785.60)
Repayment of lease liabilities	(486.86)	(350.13)
Dividend paid by holding company	(542.55)	(361.71)
Dividend paid to non controlling interest	(81.91)	(81.91)
Net cash generated (used) in financing activities (C)	(1,642.06)	(1,453.98)
Net increase in cash and cash equivalents (A+B+C)	2,205.22	1,337.71
Cash and cash equivalent as at 1 April (refer below)	(1,745.29)	(3,081.72)
Effect of exchange rate fluctuations on cash and cash equivalent	(20.02)	(1.28)
Cash and cash equivalent as at March 31	439.91	(1,745.29)
Breakup of cash and cash equivalent as at March 31		
Cash on hand	1.61	1.84
Balances with bank in current accounts	977.68	2,224.46
Balances with bank in cash credit accounts	104.66	196.36
Demand deposits (with original maturity of less than 3 months)	606.05	0.76
Bank overdrafts used for cash management purpose	(1,250.09)	(4,168.71)
Total cash and cash equivalent*	439.91	(1,745.29)

* Cash and cash equivalent includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

B S R & Co. LLP Chartered Accountants

EMCURE PHARMACEUTICALS LTD. ★ PUNE ★

EMCURE PHARMACEUTICALS LIMITED
Consolidated Financial Statements (continued)
Statement of Cash Flows for the year ended March 31, 2024 (continued)

Rs. in million

Changes in liabilities arising from financing activities	Year Ended March 31, 2024	Year Ended March 31, 2023
Borrowings:		
Opening balance	17,855.50	16,311.69
Amount borrowed during the year	6,499.73	4,552.67
Amount repaid during the year	(4,822.90)	(3,427.30)
Others (includes unrealised foreign exchange differences, foreign exchange differences on translation of subsidiaries, etc.)	136.93	418.44
Closing balance (refer note 19 & 23)	**19,669.26**	**17,855.50**
Interest accrued on borrowings:		
Opening balance	133.28	63.64
Transferred pursuant to composite scheme of arrangement (Refer Note 59)		-
Finance cost incurred during the year	2,371.47	2,136.08
Amount paid during the year	(2,081.81)	(1,785.60)
Unwinding of discount on deferred consideration	(58.32)	-
Interest accrued on lease liability	(181.17)	(119.49)
Others (includes borrowing cost capitalised during the year, foreign exchange differences, transaction cost, etc.)	(35.25)	(161.35)
Closing balance (refer note 23)	**148.20**	**133.28**

Footnotes to the cash flow statement:

1. This includes prepayment of term loan and swap of loan with other banks as below;

	March 31, 2024	March 31, 2023
Prepayment of term loans	1,505.42	-
Swap of loans	508.36	457.50

2. Includes interest expense which has been capitalised in accordance with Ind AS 23, Borrowing Costs as below;

	March 31, 2024	March 31, 2023
Interest capitalised	119.36	146.96

3. Consolidated Statement of Cash flow has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows"

4. Refer note 3 for movement in lease liabilities.

The notes referred to above form an integral part of the consolidated financials statements.

As per our report of even date attached.

For B S R & Co. LLP
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: May 27, 2024

For and on behalf of the Board of Directors
Emcure Pharmaceuticals Limited
CIN : U24231PN1981PLC024251

Berjis Desai
Non-executive Director & Chairman
DIN : 00153675

Satish Mehta
Managing Director & CEO
DIN : 00118691

Chetan Sharma
Company Secretary
Membership No. F8352

Tajuddin Shaikh
Chief Financial Officer

Place: Pune
Date: May 27, 2024

1A. General Information:

Emcure Pharmaceuticals Limited, the parent company ("the Holding company") is a public limited company incorporated and domiciled in India. The Holding company has its registered office in Pune.

The consolidated financial statements comprise the financial statements of the Holding Company and the following subsidiaries/ step down subsidiaries (together referred to as "Group").

The Group is engaged in developing, manufacturing and marketing a broad range of pharmaceutical products globally. The Group's core strength lies in developing and manufacturing differentiated pharmaceutical products in-house, which are commercialised through its marketing infrastructure across geographies and business relationships with multi-national pharmaceutical companies.

Name of subsidiaries	Percentage of Holding (%)	Country of incorporation
Direct subsidiaries		
Gennova Biopharmaceuticals Limited	87.95%	India
Zuventus Healthcare Limited	79.58%	India
Emcure Nigeria Limited	100%	Nigeria
Emcure Pharmaceuticals Mena FZ LLC.	100%	United Arab Emirates
Emcure Pharmaceuticals South Africa (Pty) Limited	100%	South Africa
Emcure Brasil Farmaceutica Ltda	100%	Brazil
Emcure Pharma UK Ltd	100%	United Kingdom
Emcure Pharma Peru S.A.C.	100%	Peru
Emcure Pharma Mexico S.A. DE C.V.	100%	Mexico
Emcure Pharmaceuticals Pty Ltd	100%	Australia
Marcan Pharmaceuticals Inc.	100%	Canada
Emcure Pharma Chile SpA	100%	Chile
Lazor Pharmaceuticals Limited	100%	Kenya
Emcure Pharma Philippines Inc	100%	Philippines
Emcure Pharma Panama Inc [5]	100%	Panama
Emcure Pharmaceuticals Dominicana [7]	100%	Dominican Republic
Step down subsidiaries [1]		
Tillomed Laboratories Ltd	100%	United Kingdom
Tillomed Pharma GmbH	100%	Germany
Laboratories Tillomed Spain S.L.U.	100%	Spain
Tillomed Italia S.R.L.	100%	Italy
Tillomed France SAS	100%	France
Tillomed Laboratories BV [3]	100%	Netherlands
Tillomed Malta Ltd. [4]	100%	Malta
Tillomed d.o.o [2]	100%	Croatia
Mantra Pharma Inc. [6]	100%	Canada

Notes:

1. Effective holding % of the Holding Company through its subsidiaries. (refer note 57)
2. Tillomed d.o.o., subsidiary of Emcure Pharma UK Ltd was incorporated on August 26, 2021 and dissolved w.e.f. February 16, 2024.
3. Tillomed Laboratories BV., subsidiary of Emcure Pharma UK Ltd., dissolved on March 29, 2023
4. Tillomed Malta Ltd, subsidiary of Emcure Pharma UK Ltd was incorporated on June 06, 2022
5. Emcure Pharma Panama Inc was incorporated on December 01, 2022 and was dissolved on October 03, 2023
6. Mantra Pharma Inc., subsidiary of Marcan Pharmaceuticals Inc Canada was acquired on November 05, 2023
7. Emcure Pharmaceuticals Dominicana, S.A.S, a direct subsidiary of the Holding company was incorporated on November 15, 2023.

1B. Basis of preparation

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (IndAS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act as amended from time to time.
Details of the Group's accounting policies are included in Note 1C. These policies have been consistently applied to all the years presented, unless otherwise stated.

b) Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (Rs.), which is also the Holding company's functional currency. All the amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest million, unless otherwise indicated.

c) Basis of Measurement

The consolidated financial statements are prepared under the historical cost convention except for the following items:

Items	Measurement Basis
Equity settled shared based payment options	Fair value
Investments in LLP	Fair value
Assets held for sale	Fair value less cost to sell
Contingent consideration in business combination	Fair value
Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined benefit obligations

d) Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimations uncertainties that have a significant risk resulting in a material adjustment in the year ending March 31 2024 is included in following notes:

Note 1C. a) Valuation of assets acquired as a part of contingent consideration;

Note 1C. d) Useful lives of property, plant, equipment;

Note 1C. e) Useful lives of intangible assets;

Note 1C (j) - Sales return, rebates and chargebacks;

Note 3 - Measurement of discount rate for initial recognition of ROU and Lease Liability as per IND AS 116

Note 9. Valuation of inventories

Note 26(i) - Recognition and measurement of provisions and contingencies : key assumptions about the likelihood and magnitude of an outflow of resources;

Note 39 - Recognition of deferred tax assets: availability of future taxable profit against which tax credit can be used;

Note 51 - Measurement of defined benefit obligations: key actuarial assumptions.

Note 53- Impairment assessment for goodwill

e) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.
The Group has an established control framework with respect to the measurement of fair values. This includes a team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Head of Treasury .

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 43 – fair value measurement;
- Note 52 – employee stock options plan.

EMCURE PHARMACEUTICALS LTD. ★ PUNE ★

1B. Basis of preparation (Continued)

f) Current versus non current classification:

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:
- it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle;
- it is held for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current assets / non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:
- it is expected to be settled in the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be settled within 12 months after the reporting date; or
- the Group does not have any unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include the current portion of non-current liabilities / non-current financial liabilities. All other liabilities are classified as non-current.

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

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalent. The operating cycle of the Group is less than 12 months.

1C. Material accounting policies

a) 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 Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group 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.

i) 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.

In case of bargain purchase where the fair value of identifiable assets and liabilities exceed the cost of acquisition, the excess is recognised in other comprehensive income on the acquisition date and accumulate the same in equity as capital reserve after reassessing the fair values of the net assets and contingent liabilities.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in the statement of profit and loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition by-acquisition basis.

Business combinations arising from transfers of interests in entities that are under the common control are accounted for using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts and no adjustments are made to reflect their fair values or recognise any new assets or liabilities. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

ii. Goodwill

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is deemed to have an indefinite useful life and is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGUs) that is expected to benefit from the synergies of the combination. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

EMCURE PHARMACEUTICALS LTD. ★ PUNE ★

1C. Material accounting policies (continued)

a) Basis of consolidation (continued)

iii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iv. Non-controlling interests (NCI)

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

v. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss / reserves as applicable.

vi. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b) Foreign Currency Transaction, translation and foreign operation

Transaction in foreign currencies are translated into the respective functional currency of the respective components at the exchange rates at the dates of transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at exchange rate when the fair value was determined. Exchange difference are recognised in statement of profit and loss, except exchange differences arising from the translation of the following items which are recognised in OCI/property, plant and equipment and intangible assets:

i. Translation of long term foreign currency monetary items pertaining to period prior to transition to Ind AS and are related to purchase of property, plant and equipment and intangible assets.

ii. Foreign operations

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. Statement of profit and loss has been translated using average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the other comprehensive income.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal or in case of a common control demerger, it is netted off against the loss of control number that would be accounted for in the reserves and surplus. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant portion of the cumulative amount is re-allocated to NCI. When the Group disposes of only a part of its interest in a joint venture while retaining significant influence or joint control, the relevant proportion of cumulative amount is reclassified to profit or loss.

c) Financial instruments

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

i. Recognition and initial measurement

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

Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Trade receivables that do not contain a significant financing component are measured at transaction price.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at
- amortised cost; or
- Fair value through profit and loss (FVTPL) or
- Fair value through other comprehensive income (FVOCI)

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

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

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

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

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

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1C. Material accounting policies (continued)

c) Financial instruments (continued)

Financial assets: Business model assessment

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

- The stated policy and objectives for the portfolio and the operation of those policies in practice.

These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial asset to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of asset;

- How the performance of portfolio is evaluated and reported to the Group's management;
- The risk that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

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

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

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

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

- contingent events that would change the amount and timing of cash flows;
- term that would adjust the contractual rate, including variable interest rate features;
- prepayment and extension features; and
- term that limits the Group's claim to cash flows for specified assets (e.g. non- recourse features).

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

III. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

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

iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

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d) Property, plant and equipment

I. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimate costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separated items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

II. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefit associated with the expenditure will flow to Group.

III. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method, and is generally recognised in the statement of profit and loss. Freehold land is not depreciated.

Depreciation is provided on pro-rata basis using the straight-line method over the estimated useful lives of the assets prescribed under Schedule II to the Companies Act 2013 except for vehicles and furnitures and fixtures at leasehold premises. The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful life as per schedule II
Leasehold improvements	As per lease term	NA
Building	30 years	30 years
Plant and machinery	3 to 20 years	10 to 20 years
Electrical installation	10 years	10 years
Air handling equipment	15 years	15 years
Computers	3-6 years	3-6 years
Office equipment	5 years	5 years
Furniture and fixtures	10 years	10 years
Vehicles	5 years	8-10 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives represents the period over which the management expects to use these assets.

Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

e) Intangible assets

- Intangible assets

I. Initial recognition:

Intangible assets acquired separately are measured at cost of acquisition. Intangible assets acquired under business combination are measured at fair value as of the date of business combination. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

II. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefit associated with the expenditure will flow to Group.

Intangible assets are amortized over their respective estimated useful life using straight-line method. The estimated useful life of amortizable intangibles is reviewed at the end of each reporting period and change in estimates if any are accounted for on a prospective basis.

The estimated useful lives are as follows:

Intangible Asset	Management estimated useful life
Marketing Intangibles	5 to 10 years
Customer relationships	5 to 10 years
Brands acquired	5 to 10 years
Software, License rights	2 to 10 years
Product pipeline	10 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

EMCURE PHARMACEUTICALS LTD. ★ PUNE ★

1C. Material accounting policies (continued)

e) Intangible assets (continued)

- Intangible Assets under Development

Intangible assets under development are initially recognized at cost. Such intangible assets are subsequently capitalized only if it is probable that the future economic benefit associated with the expenditure will flow to the Group.

The Group irrespective of whether there is any indication of impairment, test an intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. The recoverable amount is the higher of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of the intangible asset not yet available for use exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on weighted average formula, and includes expenditure incurred in acquiring the inventories, production or conversion cost and other cost incurred in bringing them to their present location and condition. In case of manufactured inventory and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expense.

The net realisable value of work-in- progress is determined with reference to the selling price of related finished products.

Raw materials, components and other supplies held for use in production of finished products are not written down below cost except in cases where material price have declined and it is estimated that the cost of finished products will exceed their net realizable value.

The comparison of cost and net realizable value is made on an item-by-item basis.

The Group considers various factors like shelf life, ageing of inventory, product discontinuation, price changes and any other factor which impact the Group's business in determining the allowance for obsolete, non-saleable and slow moving inventories. The Group considers the above factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

g) Impairment

i. Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit - impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on estimated future cash flows of financial assets have occurred.

Evidence that a financial asset is credit impaired includes the following observed data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being overdue for a period of more than 12 months from the credit term offered to the customer;
- the restructuring of loan or advance by the Holding company on the terms that the group would not consider otherwise;
- it is probable that borrower will enter bankruptcy or the financial reorganization;
- the disappearance of active market for a security because of financial difficulties.

In accordance with Ind-AS 109, the Group applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets the Group recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date, the credit risk has not increased significantly since its original recognition. However, if credit risk has increased significantly, lifetime ECL is used.

ECL impairment loss allowance (or reversal) recognized in the statement of profit and loss.

When determining whether the credit risk of financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost of effort. This includes both quantitative and qualitative information and analysis based on Group's historical experience and informed credit assessment and including forward - looking information.

The Group considers financial asset to be in default when:

a. The borrower is unlikely to pay its credit obligation to the Group in full, without recourse by the Group to action such as realising security (if any is held); or

b. The financial asset is 360 days or more past due.

Measurement of expected credit loss

Expected credit loss are probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flow that the Group expects to receive).

Presentation of allowance of expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write – off

The Gross carrying amount of financial asset is written off (either partially of full) to the extent that there is no realistic prospect of recovery. This is generally the case when Group determines that the debtor does not have asset or source of income that could generate sufficient cash flows to repay the amount subject to write-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with Group's procedures for recovery of amounts due.

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1C. Material accounting policies (continued)

g) Impairment (continued)

ii. Impairment of non-financial asset

The Group's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g. central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill

CGUs to which goodwill has been allocated are tested for impairment annually or more frequently when there is indication for impairment. If the recoverable amount of a CGU 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 on the basis of the carrying amount of each asset in the unit.

Determination of recoverable amount of CGU requires the management to estimate the future cash flows expected to arise and a suitable discount rate in order to calculate the present value. An impairment loss recognised for goodwill is not reversed in subsequent periods.

h) Employee benefits

i. Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Share-based payment transactions

Share-based payment are provided to employees via the Group's Employees Stock Option Plan ("Emcure ESOS 2013").

The Group accounts for the share based payment transactions as equity settled.

The grant date fair value of equity settled share-based payment awards granted to employees of the Group is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

The Group also grants the options to the employees of its subsidiaries for which subsidiary does not have an obligation to settle the share based payment transaction. Total expense for such options issued to employees of subsidiary is recognised as an expense and corresponding increase in share options outstanding account.

If options granted cancelled or settled during the vesting period/ after vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) then group immediately recognises the remaining amount of goods & services that have not been recorded in Profit & loss statement so far through accelerated vesting and then any payment made to the employee on the cancellation or settlement of the grant shall be accounted for as the repurchase of an equity interest, i.e. as a deduction from equity, except to the extent that the payment exceeds the fair value of the equity instruments granted, measured at the repurchase date. Any such excess shall be recognised as an expense.

iii. Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iv. Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results is a potential asset for the Group, the recognised asset is limited to the present value of economic benefit available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of the plan are changed or when plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gain and losses on the settlement of a defined benefit plan when the settlement occurs.

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1C. Material accounting policies (continued)
h) Employee benefits (continued)

v. Other long term employee benefit

The Group's liability in respect of other long-term employee benefits (compensated absences) is the amount of future benefit that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the Projected Unit Credit method. Remeasurement gains or losses are recognised in profit or loss in the period in which they arise.

i) Provisions (other than for employee benefits), Contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax-rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Onerous contracts

A contract is considered onerous when the expected economic benefits to be derived by the Group from the contract are lower the unavoidable cost of meeting its obligation under the contract. The provision for an onerous contract is measured at present value of lower of expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such provision is made, the Group recognises any impairment loss on the assets associated with the contract.

Contingencies

Provision in respect of contingencies relating to claims, litigations, assessments, fines, penalties, etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefit will arise, the asset and related income are recognized in the period in which the change occurs. A contingent asset is disclosed, where an inflow of economic benefits is probable.

j) Revenue (Refer note 54)

Sale of goods

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The Group recognises revenue pertaining to each performance obligation when it transfers control over a product to a customer, which is adjusted for expected refunds, which are estimated based on the historical data, adjusted as necessary. The transaction price is also adjusted for the effect of time value of money if the contract includes significant financing component.

The consideration can be fixed or variable. Where the consideration promised in a contract includes a variable amount, the Group estimates the amount of consideration to which the Group will be entitled in exchange for transferring the promised goods or services to a customer. Variable consideration is only recognised when it is highly probable that a significant reversal will not occur.

The Group recognises refund liability where the Group receives consideration from a customer and expects to refund some or all of that consideration to the customer. The refund liability is measured at the amount of consideration received (or receivable) for which the entity does not expect to be entitled (i.e. amounts not included in the transaction price). The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The provision on account of the expected amount of returns is included in provisions and the right to recover returned goods is included in inventory.

Rendering of services (other than sale of know-how, rights and licenses)

Revenue from rendering of services is recognised in statement of profit and loss by reference to percentage completion method. The Group is involved in rendering services related to its products to its customers. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services.

Rendering of services - sale of know-how, rights and licenses

Income from sale of technology / know-how, rights and licenses is recognised in accordance with the terms of the contract with customers when the related performance obligation is completed, or when control is transferred, as applicable.

Commission income

Revenue from commission income is recognised at the time of sale to customer based on agreed commission percentage.

Sales returns and breakage expiry

When a customer has a right to return the product within a given period, the Group has recognised a allowance for returns. The allowance is measured equal to the value of the sales expected to return in the future period. Revenue is adjusted for the expected value of the returns and cost of sales are adjusted for the value of the corresponding goods to be returned.

The Group has an obligation to replace the goods which will expire. The Group has recognised an allowance for the returns due to expiry. The allowance is measured on the basis of historical trend of expiry against the sales occurred in the current and earlier period. Management considers the sales value for the periods which are equivalent to average general shelf life of products. Revenue is adjusted for the expected value of the returns.

Professional allowance / Program fees

Professional allowance / Program fees are recorded as a reduction of revenue at the time of revenue recognition to the extent they are extimated to occur based on historical experience and other relevant factors. Any additional allowance / fees incurred are recorded when incurred.

EMCURE PHARMACEUTICALS LTD. ★ PUNE ★

1C. Material accounting policies (continued)

k) Government grants

The Group recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in relation to assets are presented as a reduction to the carrying amount of the related asset. Grants related to income are deducted in reporting the related expense in the statement of profit and loss.

Export entitlements from government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Group, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

l) Leases

The Group as a lessee

The group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The group uses judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The group revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate in the country of domicile of the leases .The lease payments shall include fixed payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

m) Recognition of interest income or expenses

Interest income is recognised using effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of financial instrument to:

- The gross carrying amount of the financial assets; or
- The amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

n) Income tax

Income tax expense comprises of current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

i. Current tax

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

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for -

(a) temporary differences on the initial recognition of assets or liabilities in a transaction that:

- is not a business combination and
- at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences

(b) taxable differences related to investments in subsidiaries, associates and joint arrangements to the extent that the group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(c)taxable temporary differences arising on the initial recognition of goodwill.

EMCURE PHARMACEUTICALS LTD. ★ PUNE ★

1C. Material accounting policies (continued)

n) Income tax (continued)

ii. Deferred tax (continued)

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets -- unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

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

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

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

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 recognised 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

o) Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

p) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

q) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Group are identified as Chief operating decision maker. Refer note 49 for segment information.

r) Earnings per share

The basic earnings per share is computed by dividing the net profit / (loss) after tax attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period.

Diluted earnings per share is computed by dividing the net profit / (loss) after tax attributable to the equity shareholders for the period by the weighted average number of equity and equivalent dilutive equity shares outstanding during the reporting period, except where the results would be anti-dilutive.

s) Exceptional item

In certain instances, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expenses is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the consolidated financials statements.

t) Cash flow statement

Cash flow from operating activities are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated. For the purpose of cash flow statement bank overdraft that are repayable on demand are considered as cash and cash equivalent as it form an integral part of the Group's cash management.

u) Research and development

Expenditure on research and development activities (other than development activities relating to intangible assets) is recognized as expense in the period in which it is incurred.

v) Non current assets held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

w) Regroupings

Appropriate regroupings have been made in the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss (including Other Comprehensive Income), wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the accounting policies and classification as per the Consolidated Ind AS financial information of the Holding Company for the year ended March 31, 2023 prepared in accordance with Revised Schedule III of Companies Act, 2013, requirements of Ind AS 1 - 'Presentation of financial statements' and other applicable Ind AS principles. The Group has adopted the Revised Schedule III as issued by MCA and accordingly numbers of comparative period has been reclassed as required. As a result of amendment to Schedule III, deposits have been reclassified to other financial assets which was earlier forming part of loans and current maturities of long-term borrowing are now presented as current borrowings which was earlier forming part of other financial liabilities.

v) Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.

Note 1D. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as amended from time to time. There are no such recently issued standards or amendments to the existing standards for which the impact on the Restated Consolidated Financial Information is required to be disclosed.

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1E. Changes in material accounting policies

The Company adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from April 1, 2023. These amendments did not result in any changes in the accounting policies or the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

EMCURE PHARMACEUTICALS LIMITED
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

Rs. in million

Note 2A - Property, plant and equipment	Gross book value							Accumulated depreciation							Net book value
	April 1, 2023	Additions during the year	Addition on business combination (Refer note 63)	Disposal during the year	Exchange difference on translation of foreign operations	Asset held for sale during the year (Refer note 16)	March 31, 2024	April 1, 2023	Charge for the year	Addition on business combination (Refer note 63)	Disposal during the year	Exchange difference on translation of foreign operations	Asset held for sale during the year (Refer note 16)	March 31, 2024	March 31, 2024
Freehold land	533.22	7.66	-	-	-	(14.42)	526.46	-	-	-	-	-	-	-	526.46
Leasehold improvements	368.83	152.50	45.42	(3.05)	1.19	-	564.89	234.46	62.61	19.33	(3.05)	0.14	-	313.49	251.40
Building	5,477.77	554.68	-	(15.76)	-	(44.96)	5,971.73	1,056.97	199.41	-	(7.59)	-	(9.79)	1,239.00	4,732.73
Plant and machinery	16,242.90	3,796.18	-	(74.14)	0.06	-	19,965.00	7,345.38	1,400.54	-	(58.25)	0.06	-	8,687.73	11,277.27
Electrical installation	1,174.06	309.13	-	(9.46)	0.09	-	1,473.82	602.86	98.74	-	(8.32)	0.02	-	693.30	780.52
Air handling equipment	1,376.61	374.15	-	(8.85)	-	-	1,741.91	640.93	92.47	-	(5.90)	-	-	727.50	1,014.41
Computers	751.63	125.69	21.13	(5.17)	1.10	-	894.38	518.05	111.55	12.22	(4.41)	6.17	-	643.58	250.80
Office equipment	231.05	34.32	-	(1.00)	1.46	-	265.83	175.69	25.68	-	(3.57)	(2.65)	-	195.15	70.68
Furniture and fixtures	581.02	152.04	59.52	(6.24)	1.25	-	787.59	256.82	58.11	22.62	(5.94)	1.28	-	332.89	454.70
Vehicles	356.11	34.12	-	(19.87)	(0.40)	-	369.96	215.70	47.33	-	(19.42)	(0.41)	-	243.20	126.76
Total	**27,093.20**	**5,540.47**	**126.07**	**(143.54)**	**4.75**	**(59.38)**	**32,561.57**	**11,046.86**	**2,096.44**	**54.17**	**(116.45)**	**4.61**	**(9.79)**	**13,075.84**	**19,485.73**

EMCURE PHARMACEUTICALS LTD. ★ PUNE ★

EMCURE PHARMACEUTICALS LIMITED
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

Rs. in million

Note 2A - Property, plant and equipment	Gross book value					Accumulated depreciation					Net book value
	April 1, 2022	Additions during the year	Disposal during the year	Exchange difference on translation of foreign operations	March 31, 2023	April 1, 2022	Charge for the year	Disposal during the year	Exchange difference on translation of foreign operations	March 31, 2023	March 31, 2023
Freehold land	522.55	10.67	-	-	533.22	-	-	-	-	-	533.22
Leasehold improvements	324.63	46.82	(2.58)	(0.04)	368.83	207.31	28.81	(1.70)	0.04	234.46	134.37
Building	4,900.82	576.95	-	-	5,477.77	876.92	180.05	-	-	1,056.97	4,420.80
Plant and machinery	14,414.42	1,867.50	(39.06)	0.04	16,242.90	6,146.87	1,224.78	(26.31)	0.04	7,345.38	8,897.52
Electrical installation	979.79	194.57	(0.47)	0.17	1,174.06	527.05	76.26	(0.47)	0.02	602.86	571.20
Air handling equipment	1,240.38	138.94	(2.71)	-	1,376.61	556.07	87.09	(2.23)	-	640.93	735.68
Computers	646.25	123.85	(18.83)	0.36	751.63	444.38	91.87	(18.64)	0.44	518.05	233.58
Office equipment	203.99	26.89	(0.68)	0.85	231.05	152.03	23.54	(0.67)	0.79	175.69	55.36
Furniture and fixtures	479.30	105.65	(5.73)	1.80	581.02	215.72	45.22	(4.57)	0.45	256.82	324.20
Vehicles	306.48	63.85	(14.50)	0.28	356.11	189.49	39.82	(13.89)	0.28	215.70	140.41
Total	**24,018.61**	**3,155.69**	**(84.56)**	**3.46**	**27,093.20**	**9,315.84**	**1,797.44**	**(68.48)**	**2.06**	**11,046.86**	**16,046.34**

EMCURE PHARMACEUTICALS LTD. ★ PUNE ★

Rs. in million

Note 28 - Capital in work in progress	April 1, 2023	Additions during the year	Capitalised during the year	Disposal during the year	Exchange difference on translation of foreign operations	March 31, 2024
Capital in work in progress	4,035.31	2,060.33	(4,772.53)	(0.29)	0.63	1,323.45
Total	4,035.31	2,060.33	(4,772.53)	(0.29)	0.63	1,323.45

Rs. in million

Note 28 - Capital in work in progress	April 1, 2022	Additions during the year	Capitalised during the year	Disposal during the year	Exchange difference on translation of foreign operations	March 31, 2023
Capital in work in progress	3,098.03	3,263.56	(2,285.43)	(40.85)	-	4,035.31
Total	3,098.03	3,263.56	(2,285.43)	(40.85)	-	4,035.31

Capital work-in-progress ageing schedule

Rs. in million

March 31, 2024	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	777.66	175.54	57.40	-	1,010.60
Projects overdue from original planned completion date	26.74	26.46	21.36	238.29	312.85
Total	804.40	202.00	78.76	238.29	1,323.45

Capital work-in-progress completion schedule

Rs. in million

March 31, 2024	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
New facility development at Sanand plant	299.21	-	-	-	299.21
Other Miscellaneous Projects	13.64	-	-	-	13.64
Total	312.85	-	-	-	312.85

Capital work-in-progress ageing schedule

Rs. in million

March 31, 2023	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	3,060.24	282.67	317.72	74.54	3,735.17
Projects overdue from original planned completion date	17.94	11.58	97.33	173.29	300.14
Total	3,078.18	294.25	415.05	247.83	4,035.31

Capital work-in-progress completion schedule

Rs. in million

March 31, 2023	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
New line at Hinjewadi Plant III	-	300.14	-	-	300.14
Total	-	300.14	-	-	300.14

1. The capital work in progress mainly consists of plant and machinery, building and other assets pertaining to various projects/ plants, expansion of existing facilities, etc.

2. The effect of changes in foreign currency exchange rates on foreign currency translation on gross block of capital assets, relating to eligible assets have been added/ (deducted) from the gross block and accumulated depreciation of such assets. The information of such effect for respective year is;

Rs. in million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Foreign currency exchange gain/ (loss) - Gross block	4.75	3.46
Foreign currency exchange gain/ (loss) - Accumulated depreciation	4.61	2.06

3. There is no effect of changes in foreign currency exchange rates on foreign currency translation of Capital-work-in-progress, have been deducted from the cost of such assets in Capital work in progress. The information of such effect for respective year is NIL

4. The borrowing cost capitalised on qualifying assets amounting to Rs. 119.36 million (March 31, 2023 Rs. 146.96 million) have been added to the cost of assets.

5. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is @ 7.79% - 8.30% (March 31, 2023 : 6.92%)

6. The group does not have any CWIP projects which are suspended or which have exceeded its cost compared to its original plan.

7. On transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment recognised and measured as per the previous GAAP and used that carrying value as the deemed cost of the property, plant and equipment.

8. Refer note 55 for information on property, plant and equipment pledged as security by the group.

EMCURE PHARMACEUTICALS LTD. ★ PUNE ★

EMCURE PHARMACEUTICALS LIMITED
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For the year ended March 31, 2024

Note 3 : Leases

Lease contracts entered by the Group majorly pertains for Land & buildings taken on lease to conduct its business in the ordinary course. The leases typically run for a period of 12 years to 66 years for land and for a period of 18 months to 20 years for remaining assets, with an option to renew the lease after that date. Typically lease payments are renegotiated at the time of renewal. Certain leases have restrictions on further sub-leasing. Information about leases for which the Group is lessee is presented as below:

Right-of -use assets

Rs. in million

Particulars	Land	Land & Building	Plant & Machinery	Computers	Total
Balance As On April 1, 2023	971.37	961.13	104.18	29.23	2,065.91
Additions for new leases entered during the year	74.89	1,143.70	-	322.46	1,541.05
Deletions for leases terminated during the year	(18.72)	(27.14)	-	-	(45.86)
Depreciation charge for the year	(19.97)	(295.33)	(7.96)	(76.59)	(399.85)
Translation exchange differences	-	1.64	-	-	1.64
Balance As On March 31, 2024	**1,007.57**	**1,784.00**	**96.22**	**275.10**	**3,162.89**

Rs. in million

Particulars	Land	Land & Building	Plant & Machinery	Computers	Total
Balance As On April 1, 2022	971.10	929.23	112.14	41.30	2,053.77
Additions for new leases entered during the year	19.15	323.48	-	-	342.63
Deletions for leases terminated during the year	-	(50.87)	-	-	(50.87)
Depreciation charge for the year	(18.88)	(241.59)	(7.96)	(12.07)	(280.50)
Translation exchange differences	-	0.88	-	-	0.88
Balance As On March 31, 2023	**971.37**	**961.13**	**104.18**	**29.23**	**2,065.91**

Lease Liabilities

Rs. in million

Particulars	March 31, 2024	March 31, 2023
Balance as at the beginning	1,393.70	1,335.74
Additions for new leases entered	1,441.67	338.07
Deletions for leases terminated	(55.80)	(51.18)
Interest on lease liabilities	181.17	119.49
Repayment of lease liabilities	(486.86)	(350.13)
Translation exchange differences	2.72	1.71
Balance as at the end of the year	**2,476.60**	**1,393.70**
Current	319.19	241.90
Non-current	2,157.41	1,151.80

Maturity analysis - contractual undiscounted cash flows-

Rs. in million

Particulars	March 31, 2024	March 31, 2023
Less than one year	517.62	342.53
One to five years	1,505.22	776.21
More than five years	1,717.25	1,045.61
Total undiscounted lease liabilities	**3,740.09**	**2,164.35**

Amount recognised in Consolidated Statement of Profit and Loss

Rs. in million

Particulars	March 31, 2024	March 31, 2023
Interest on lease liabilities	(181.17)	(119.49)
Depreciation on ROU	(399.85)	(280.50)
Expenses relating to short term leases	(38.92)	(23.85)
Expenses relating to leases of low value assets	(25.85)	(37.53)
Expenses relating to variable lease payments	(6.63)	(5.68)
Total	**(652.42)**	**(467.05)**

Amounts recognised in Consolidated Cash Flow Statement

Rs. in million

Particulars	March 31, 2024	March 31, 2023
Cash flow from financing acitivities		
- Repayment of lease liabilities		
Principal	(305.69)	(230.64)
Interest	(181.17)	(119.49)

The weighted average incremental borrowing rate is in the range of 2.5% - 9.85% (March 31, 2023 : 2.5% - 10.25% p.a) has been applied to lease liabilities recognised in the balance sheet.

EMCURE PHARMACEUTICALS LTD. ★ PUNE ★

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Note 4 - Other Intangible assets	Gross book value						Accumulated amortisation & Impairment loss						Net book value
	April 1, 2023	Addition on business combination (Refer note 63)	Additions during the year	Disposal during the year	Exchange difference on translation of foreign operations	March 31, 2024	April 1, 2023	Addition on business combination (Refer note 63)	Amortisation for the year	Disposal during the year	Exchange difference on translation of foreign operations	March 31, 2024	March 31, 2024
Brands	1,270.50	208.94	-	-	6.10	1,485.54	1,065.50	-	87.62	-	2.71	1.155.83	329.71
Software	788.60	19.46	81.10	(0.27)	0.50	889.39	648.24	4.99	90.69	(0.27)	0.66	744.31	145.08
Licensing Rights	1,972.27	313.60	15.46	-	40.95	2,342.28	1,525.52	-	228.98	-	(132.11)	1.622.39	719.89
Product Development	86.53	-	26.18	(59.91)	(7.95)	44.85	8.91	-	1.87	-	4.96	15.74	29.11
Customer relationships	1,893.33	3,597.99	-	-	69.89	5,561.21	1,798.64	-	145.19	-	122.40	2 066.23	3,494.98
Product pipeline	202.66	-	-	-	2.94	205.60	96.26	-	20.50	-	56.29	173.05	32.55
Marketing Intangibles	474.41	-	2.07	-	4.65	481.13	365.92	-	52.93	-	3.61	422.46	58.67
Total	**6,688.30**	**4,139.99**	**124.81**	**(60.18)**	**117.08**	**11,010.00**	**5,508.99**	**4.99**	**627.78**	**(0.27)**	**58.52**	**6,200.01**	**4,809.99**

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Note 4 - Other Intangible assets	Gross book value					Accumulated amortisation & Impairment loss					Net book value
	April 1, 2022	Additions during the Year	Disposal during the Year	Exchange difference on translation of foreign operations	March 31, 2023	April 1, 2022	Amortisation for the year	Disposal during the Year	Exchange difference on translation of foreign operations	March 31, 2023	March 31, 2023
Brands	1,270.61	-	-	(0.11)	1,270.50	925.80	139.79	-	(0.09)	1,065.50	205.00
Software	692.44	97.15	(1.43)	0.44	788.60	560.21	89.04	(1.43)	0.42	648.24	140.36
Licensing Rights	1,943.26	30.66	(7.29)	5.64	1,972.27	1,275.65	245.42	-	4.45	1,525.52	446.75
Product Development	27.48	-	-	59.05	86.53	8.91	-	-	-	8.91	77.62
Customer relationships	1,894.16	-	-	(0.83)	1,893.33	1,799.43	-	-	(0.79)	1,798.64	94.69
Product pipeline	202.75	-	-	(0.09)	202.66	96.30	-	-	(0.04)	96.26	106.40
Marketing Intangibles	442.64	0.60	-	31.17	474.41	294.41	48.99	-	22.52	365.92	108.49
Total	**6,473.34**	**128.41**	**(8.72)**	**95.27**	**6,688.30**	**4,960.71**	**523.24**	**(1.43)**	**26.47**	**5,508.99**	**1,179.31**

Footnotes for note 4:

1. The effect of changes in foreign currency exchange rates on foreign currency translation on gross block of capital assets, relating to eligible assets have been adjusted from the cost of such assets and on accumulated amortisation, have been deducted to the accumulated amortisation of such assets. The information of such effect for respective periods is;

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Foreign currency exchange gain/ (loss) - Gross block	117.08	95.27
Foreign currency exchange gain/ (loss) - Accumulated amortisation	58.52	26.47

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Note 5 - Intangible assets under development (ITUD)	April 1, 2023	Additions during the year	Capitalised during the year	Exchange difference on translation of foreign operations	Disposal during the year	March 31, 2024
Intangible assets under development	78.80	227.48	(38.69)	2.26	(2.16)	267.69
Total	78.80	227.48	(38.69)	2.26	(2.16)	267.69

Rs. in million

Note 5 - Intangible assets under development (ITUD)	April 1, 2022	Additions during the year	Capitalised during the year	Exchange difference on translation of foreign operations	Disposal during the year	March 31, 2023
Intangible assets under development	100.95	20.88	(21.62)	1.34	(22.75)	78.80
Total	100.95	20.88	(21.62)	1.34	(22.75)	78.80

Intangible assets under development ageing schedule

Rs. In million

March 31, 2024	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	218.91	23.61	25.17	-	267.69
Projects overdue from original planned completion date	-	-	-	-	-
Total	218.91	23.61	25.17	-	267.69

Intangible assets under development ageing schedule

March 31, 2023	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	17.88	9.36	-	25.38	52.62
Projects overdue from original planned completion date	-	-	0.04	26.14	26.18
Total	17.88	9.36	0.04	51.52	78.80

Intangible assets under development completion schedule

Rs. In million

March 31, 2023	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Cell line for product development at Gennova R&D lab, Hinjewadi	-	-	0.04	26.14	26.18

Footnotes for note :

1. The effect of changes in foreign currency exchange rates on foreign currency translation on Intangible under development, amount to (loss) Rs. 2.26 million in relation to eligible assets for the year ended March 31, 2024 has been added to cost of such asset in intangible asset under development (March 31, 2023: Rs. 1.34 million).

2. Intangible assets under development mainly consist of licencing rights and other intangible assets under development.

3. The group does not have any ITUD projects which are suspended or which have exceeded its cost compared to its original plan.

4. The management has assessed the impairment of intangible assets under development taking into account the potential revenues from the current marketed products, time required for bringing the pipeline products into the market and the incremental investments required over the foreseeable future. The management's assessment do not indicate any impairment. There are no significant estimate involved in the impairment assessment.

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Rs. in million

Note 6 Non-current investments	March 31, 2024 No of units	March 31, 2023 No of units	March 31, 2024	March 31, 2023
Investment in LLP				
Unquoted (valued at FVOCI)				
ABCD Technologies LLP, India	4.00%	4.03%	250.00	250.00
Add/(Less): Changes in fair value of investments			(65.80)	-
Total			**184.20**	**250.00**
Aggregate amount of unquoted investments			184.20	250.00
Aggregate amount of impairment in value of investment			65.80	-

Rs. in million

Note 7 Other non-current financial assets	March 31, 2024	March 31, 2023
Unsecured considered good (unless otherwise stated)		
Term deposits with banks having remaining maturity period of more than 12 months (refer note below)	15.65	331.46
Security deposits	370.87	288.91
Deposit with Provident Fund authority	20.00	20.00
Interest accrued on deposits with bank	1.16	5.43
Total	**407.68**	**645.80**

Note: Fixed deposits are held as lien by bank for performance bank guarantees & others. (refer note no. 55)

Rs. in million

Note 8 Other non-current assets	March 31, 2024	March 31, 2023
Unsecured considered good (unless otherwise stated)		
Capital advances	140.54	160.44
Prepaid expenses	20.72	62.00
Balances with government authorities	32.29	40.58
Total	**193.55**	**263.02**

Rs. in million

Note 9 Inventories	March 31, 2024	March 31, 2023
Raw materials	3,232.58	3,787.65
Packing materials	981.49	1,037.11
Work-in-progress	2,534.38	1,515.98
Finished goods	2,613.16	1,936.35
Stock-in-trade	5,080.06	4,873.35
Stores and spares	809.33	679.83
Total	**15,251.00**	**13,830.27**

Notes :

1. Goods in transit as at year end is as below

Rs. in million

	March 31, 2024	March 31, 2023
Raw materials	52.87	167.02
Packing materials	-	2.30
Finished goods	264.01	-
Stock-in-trade	376.66	222.59
Stores and spares	0.16	15.59
Total	693.70	407.50

2. Write-downs of inventories as at the year end

Rs. in million

	March 31, 2024	March 31, 2023
Write-downs of inventories as at the year end	716.10	389.39

Increase/decrease in write-down provision is recognised as an expense and included in cost of materials consumed or changes in inventories of finished goods, work-in-progress and traded goods in statement of profit and loss except for write down provision amounting to Rs. 34.82 million (March 31, 2023 : Nil) which is acquired under business combination. (Refer note 63)

3. Refer note 55 for information on inventories pledged as security by the group.

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Rs. in million

Note 10 Investments	March 31, 2024 No of units	March 31, 2023 No of units	March 31, 2024	March 31, 2023
Investment in redeemable debentures				
Unquoted - valued at amortised cost				
Non convertible debentures of Avet Lifescience Private Limited (Refer note 50)	1,000	-	2,500.00	-
Interest accrued on non convertible debentures			104.35	-
Investment in Listed Mutual Fund				
Quoted mutual funds valued (at FVTPL)			392.16	-
Total			2,996.51	-
Aggregate amount of quoted investments			392.16	-
Aggregate market value of quoted investments			392.16	-
Aggregate amount of unquoted investments			2,500.00	-
Aggregate amount of impairment in value of investment			-	-

Rs. in million

Note 11 Trade receivables	March 31, 2024	March 31, 2023
Unsecured		
Undisputed receivables - considered good	18,972.35	16,949.64
Undisputed receivables - which have significant increase in credit risk	200.26	-
Disputed receivables - which have significant increase in credit risk	49.72	29.37
Less: Loss allowance	(634.28)	(496.01)
Total	18,588.05	16,483.00

Of the above, trade receivables from related parties are as below Rs. in million

Particulars	March 31, 2024	March 31, 2023
Total trade receivables from related parties (refer note 50)	2,101.83	1,789.72
Less: Loss allowance	(24.48)	(27.26)
Net trade receivables	**2,077.35**	**1,762.46**

Refer note 55 for information on trade receivables pledged as security by the group.

The Group's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 42.

Break-up of security details and ageing schedule;

Rs. in million

As at March 31, 2024	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed receivables - considered good	13,037.13	3,776.91	1,472.04	328.29	271.95	86.03	18,972.35
Undisputed receivables - which have significant increase in credit risk	-	-	-	-	200.26	-	200.26
Undisputed receivables - credit impaired	-	-	-	-	-	-	-
Disputed receivables - considered good	-	-	-	-	-	-	-
Disputed receivables - which have significant increase in credit risk	-	-	-	-	-	49.72	49.72
Disputed receivables - credit impaired	-	-	-	-	-	-	-
Total	13,037.13	3,776.91	1,472.04	328.29	472.21	135.75	19,222.33
Less:Loss allowance							(634.28)
Net trade receivables							**18,588.05**

Rs. in million

As at March 31, 2023	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed receivables - considered good	10,524.98	4,647.24	346.28	1,148.58	197.87	84.69	16,949.64
Undisputed receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed receivables - credit impaired	-	-	-	-	-	-	-
Disputed receivables - considered good	-	-	-	-	-	-	-
Disputed receivables - which have significant increase in credit risk	-	-	-	-	-	29.37	29.37
Disputed receivables - credit impaired	-	-	-	-	-	-	-
Total	10,524.98	4,647.24	346.28	1,148.58	197.87	114.06	16,979.01
Less:Loss allowance							(496.01)
Net trade receivables							**16,483.00**

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Rs. in million

Note 12 Cash and cash equivalents	March 31, 2024	March 31, 2023
Cash on hand	1.61	1.84
Balances with bank in current accounts	977.68	2,224.46
Balances with bank in cash credit accounts	104.66	196.36
Demand deposits (with original maturity of less than 3 months)	606.05	0.76
Total	1,690.00	2,423.42

Refer note 55 for information on Cash and cash equivalents pledged as security by the group.

Rs. in million

Note 13 Bank balances other than cash and cash equivalents	March 31, 2024	March 31, 2023
Term deposits with banks having initial maturity of more than 3 months but remaining maturity of less than 12 months (refer note below)	591.70	2,044.83
Interest accrued on deposits with bank	42.38	114.30
Total	634.08	2,159.13

Note: Out of above certain fixed deposits are held as lien by bank for performance bank guarantees, bid bonds & others (refer note 55).

Rs. in million

Note 14 Other current financial assets	March 31, 2024	March 31, 2023
Unsecured considered good (unless otherwise stated)		
Government grant receivable (refer note 61)	352.47	278.95
Financial guarantee fees receivable from related parties (refer note 50)	84.09	77.30
Other amount due from related parties (refer note 50)	55.37	55.60
Other receivables (refer note below)	197.55	177.47
Total	689.48	589.32

(a) Includes amount relating to retention money receivable, claims receivables and reimbursement of expense receivable from shareholders and external parties.
(b) Refer note 55 for information on Other financial assets pledged as security by the group.

Rs. in million

Note 15 Other current assets	March 31, 2024	March 31, 2023
Unsecured considered good (unless otherwise stated)		
Advances for supply of goods and services	640.01	763.10
Balances with government authorities	1,709.15	1,837.67
Prepaid expenses	304.41	198.60
Others *	42.22	74.61
Total	2,695.79	2,873.98

* Other includes advances to employees
Refer note 55 for information on Other assets pledged as security by the group.

Rs. in million

Note 16 Assets held for Sale	March 31, 2024	March 31, 2023
Freehold land	14.42	-
Leasehold Land	4.65	-
Building	35.17	-
Total	54.24	-

Note:

Pursuant to the Board of Directors' in principle approval, for the sale of two surplus office spaces, at Pune, the Holding Company had classified the written down value of these properties amounting to Rs. 54.24 millions as 'Assets held for sale'. The fair value of such properties as at year ended March 31, 2024 is Rs. 459.36 millions. This is a level 2 measurement as per the fair value hierarchy set out in the fair value measurement disclosure (Note 43). The key inputs under this approach are price per square metre of comparable lots of building in the area of similar location and size.

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Note 17 Equity Share Capital	March 31, 2024		March 31, 2023	
	Number of shares	Value	Number of shares	Value
a. Authorised share capital				
Equity Shares of Rs. 10 each	250,000,000	2,500.00	250,000,000	2,500.00
b. Issued, subscribed and paid up capital*				
Equity Shares of Rs. 10 each	181,152,116	1,811.52	180,852,116	1,808.52

* All issued shares are fully paid up.

c. Reconciliation of the number of the shares outstanding at the beginning and at the end of the year

Rs. in million

Particulars	March 31, 2024		March 31, 2023	
	Number of shares	Value	Number of shares	Value
Equity Shares outstanding at the beginning and at the end of the year	180,852,116	1,808.52	180,852,116	1,808.52
Exercise of options - proceeds received	300,000	3.00	-	-
Equity Shares outstanding at the beginning and at the end of the year	181,152,116	1,811.52	180,852,116	1,808.52

The Holding Company has also issued share options to its employees and employees of the subsidiaries, refer note 52.

d. Rights, preferences and restrictions attached to equity shares

The Holding Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Holding Company after distribution of all preferential amounts, in proportion to their shareholding.

e. Employee stock options

Terms attached to stock options granted to employees of the Holding Company and subsidiaries are described in note 52 regarding share-based payments.

f. Information regarding shares in the last five years

No shares were issued for consideration other than cash during the period of five years immediately preceding the year ended March 31, 2024. Further the group has not undertaken any buy back of shares during the period of five years immediately preceding the year ended March 31, 2024.

g. Details of equity shares held by promoters and shareholders holding shares more than 5% shares

Particulars	March 31, 2024		March 31, 2023	
	No. of Shares held	% of Shareholding	No. of Shares held	% of Shareholding
Promoters				
Satish Mehta	75,816,748	41.85%	75,816,748	41.92%
Sunil Mehta	2,887,012	1.59%	11,085,012	6.13%
Samit Mehta [1]	13,547,632	7.48%	13,547,632	7.49%
Namita Thapar [1]	6,339,800	3.50%	6,339,800	3.51%
Others				
BC Investments IV Limited	23,673,544	13.07%	23,673,544	13.09%
Sanjay Mehta	3,744,028	2.07%	15,764,028	8.72%
Bhavana Mehta	9,388,288	5.18%	9,388,288	5.19%
Everest Trust [2]	14,520,000	8.02%	-	-
Unity Trust [3]	14,508,888	8.01%	-	-
Total	164,425,940	90.77%	155,615,052	86.05%

Notes:

(1) Pursuant to Board Resolution dated March 18, 2024, with effect from the date of this resolution, Mrs. Namita Thapar and Mr. Samit Mehta have been designated as the 'Promoters' of the Holding Company.

(2) Equity shares held by Sanjay Mehta with Sonali Sanjay Mehta, as trustees of Everest Trust.

(3) Equity Shares held by Sunil Mehta with Kamini Sunil Mehta, as trustees of Unity Trust.

h. Increase/(decrease) in percentage of shares held by promoters

Particulars	March 31, 2024	March 31, 2023
Satish Mehta	-0.07%	0.02%
Sunil Mehta	-4.54%	-
Samit Mehta	-0.01%	-
Namita Thapar	-0.01%	-

i. Shares reserved for issue under options:

Rs. in million

Particulars	March 31, 2024		March 31, 2023	
	Number of shares	Value	Number of shares	Value
Equity shares with face value of Rs. 10 each (refer note 52)				
a. At an exercise price of Rs. 165.07 per share	230,000	2.30	670,000	6.70
b. At an exercise price of Rs. 452.57 per share	60,000	0.60	60,000	0.60
c. At an exercise price of Rs. 465.82 per share	70,000	0.70	160,000	1.60
d. At an exercise price of Rs. 523.82 per share	90,000	0.90	90,000	0.90
e. At an exercise price of Rs. 563.82 per share	135,000	1.35	135,000	1.35
f. At an exercise price of Rs. 862.07 per share	235,000	2.35	255,000	2.55
g. At an exercise price of Rs. 1000.05 per share	40,000	0.40	40,000	0.40
h. At an exercise price of Rs. 1008.21 per share	230,000	2.30	250,000	2.50
Total	1,090,000	10.90	1,660,000	16.60

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Rs. in million

Note 18 Other Equity	Note	March 31, 2024	March 31, 2023
Reserves and Surplus			
Securities premium	(i)	98.84	-
Share options outstanding account	(ii)	144.97	148.51
Foreign currency translation reserve	(iii)	487.28	265.03
General reserve	(iv)	640.14	824.96
Retained earnings	(v)	26,340.08	21,964.24
Total		27,711.31	23,202.74

Rs. in million

Other Equity Reserves and surplus	March 31, 2024	March 31, 2023
i) Securities premium		
Balance as at the beginning of the year	-	-
Add: Excerise of options - proceeds received	73.59	-
Add: Excerise of options - transfer from share options outstanding account	25.25	-
Balance as at the end of the year	**98.84**	-
ii) Share options outstanding account		
Balance as at the beginning of the year	148.51	159.20
Employee share - based expense recognised in statement of profit and loss	39.67	52.76
Options forfeited, transferred to general reserve	(17.96)	(36.04)
Options settled in cash during the year	(25.25)	(27.41)
Balance as at the end of the year	**144.97**	**148.51**
iii) Foreign currency translation reserve		
Balance as at the beginning of the year	265.03	156.71
Exchange differences in translating financials statement of foreign operations	222.25	108.32
Balance as at the end of the year	**487.28**	**265.03**
iv) General reserve		
Balance as at the beginning of the year	824.96	797.99
Options forfeited, transferred from share options outstanding account	17.96	36.04
Options settled during the year	(202.36)	-
Income tax on above items	(0.42)	(9.07)
Balance as at the end of the year	**640.14**	**824.96**
v) Retained earnings		
Balance as at the beginning of the year	21,964.24	16,953.06
Profit for the year attributable to the owners	4,981.83	5,320.19
Items of other comprehensive income recognised directly in retained earnings	(63.44)	52.69
Dividend (refer note below)	(542.55)	(361.70)
Balance as at the end of the year	**26,340.08**	**21,964.24**
Total	27,711.31	23,202.74

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Note 18 : Other Equity (continued)

The following dividends were declared and paid by the Holding company during the year:

Rs. in million

Particulars	March 31, 2024	March 31, 2023
Interim dividend on equity Shares March 31, 2024: Rs. 2 per equity share (March 31, 2023: Rs. 1 per equity share)	361.70	180.85
Final dividend on equity shares March 31, 2023: Rs. 1 per equity share (March 31, 2023: Rs. 1 per equity share)*	180.85	180.85
Total	542.55	361.70

* Final dividend paid during the year ended March 31, 2024 is related to dividend proposed for the year ended March 31, 2023. Final dividend paid during the year ended March 31, 2023 is related to dividend proposed for the year ended March 31, 2022.

Note: After the reporting dates the following dividend were proposed by the directors; the dividends have not been recognised as liabilities.

Rs. in million (unless otherwise stated)

Particulars	March 31, 2024	March 31, 2023
By Holding company		
Final dividend on equity shares subject to approval at the annual general meeting.	-	180.85
Final dividend per equity share	-	Rs. 1.00
By subsidiary- Zuventus Healthcare Limited*		
Final dividend on equity shares subject to approval at the annual general meeting.	-	100.28
Final dividend per equity share	-	Rs. 5.00

* It also includes dividend received by Holding Company, which gets eliminated at consolidated level.

Nature and purpose of other reserves

Securities premium

Securities premium is used to record the premium on issue of shares. The same is utilised in accordance with the provisions of the Companies Act, 2013.

Share options outstanding account

The Holding Company has established equity-settled share-based payment plans for certain categories of employees of the Group. Refer note 52 for further details of these plans.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

General reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

Retained earnings

Retained earnings are the profits/(loss) that the Group has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss. Retained earnings is a free reserve available to the group.

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Rs. in million

Note 19 Non current borrowings	March 31, 2024	March 31, 2023
Secured		
Term loans:		
Indian currency loans from banks	1,031.19	1,937.12
Indian currency loans from others	2,037.47	3,588.93
Foreign currency loans from banks	8,265.17	5,026.97
Vehicle loans	46.75	69.56
	11,380.58	10,622.58
Unsecured		
Indian currency loans from others	52.35	69.03
Less: Current maturities of non current borrowing (refer note 23)	(3,566.65)	(3,031.91)
Less: Current maturities of vehicle loan and others (refer note 23)	(20.75)	(22.81)
Less: Transaction cost attributable to the borrowings	(179.58)	(195.54)
Total	7,665.95	7,441.35

Note: Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note 42.

(a) Security information of outstanding loans is as below;

Rs. in million

Nature of facility	Security offered	March 31, 2024	March 31, 2023
Term Loan	Secured by hypothecation of Property, plant and equipment, Capital work-in-progress, Intangible assets (DMFs and acquired brands) and Second pari passu (hypothecation) charge on current assets of the Holding Company	2,876.57	4,324.05
Term Loan	Secured by hypothecation of Property, plant and equipment, Capital work-in-progress and Second pari passu (hypothecation) charge on current assets of the Holding Company	1,138.41	1,232.55
Term Loan	Secured by hypothecation of Property, plant and equipment and Capital work-in-progress owned by the Holding company	2,299.91	2,592.59
Term Loan	Secured by hypothecation of Property, plant and equipment and Capital work-in-progress owned by Zuventus Healthcare Limited (a subsidiary of the Holding company) and Corporate Guarantee of Zuventus Healthcare Limited	747.97	419.43
Term Loan	First pari passu charge on the entire assets of the Mantra Pharma Inc. and Corporate Guarantee of Emcure Pharmaceuticals Limited (Holding Company)	2,761.11	-
Term Loan	Secured by hypothecation of the entire movable fixed assets, both present and future owned by Gennova Biopharmaceuticals Limited; Second Pari Passu Charge over the entire current assets, both present and future of Gennova Biopharmaceuticals Limited and Corporate Guarantee of Emcure Pharmaceuticals Limited (holding company).	274.02	399.06
Term Loan	Secured by hypothecation of all fixed assets, current assets and intangibles assets of Marcan Pharmaceuticals Inc. and Corporate Guarantee of Emcure Pharmaceuticals Limited (holding company).	-	190.63
Term Loan	First pari passu charge on the entire assets of the Marcan Pharmaceuticals Inc. and Corporate Guarantee of Emcure Pharmaceuticals Limited (holding Company)	171.42	-
Term Loan	Secured by hypothecation of all current assets and intangibles assets of Marcan Pharmaceuticals Inc. and Corporate Guarantee of Emcure Pharmaceuticals Limited (holding company).	1,064.42	1,394.71
Vehicle Loan	Secured by vehicles for which loan is availed	46.75	69.56
	Total	11,380.58	10,622.58

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(b) Repayment terms of secured borrowing outstanding as on March 31, 2024.

Nature of facility	Repayment terms	Currency	Number of Installments outstanding	Within 1 year	1 to 2 years	2 to 5 years	Above 5 years	Total
Term Loan	16 equal quarterly installments from April 2020 **	INR	1*	40.33	-	-	-	40.33
Term Loan	60 monthly installments from December 2019	INR	11	45.83	-	-	-	45.83
Term Loan	20 Equal Quarterly Installments from May 2021	INR	8	200.00	200.00	-	-	400.00
Term Loan	8 Equal Quarterly Installments from June 2023	INR	4	250.00	63.08	-	-	313.08
Term Loan	2 Equal Installment Post Completion of Original Term Loans Tenure	INR	2	15.34	-	-	-	15.34
Term Loan	60 monthly installments from August 2019	INR	7	58.33	-	-	-	58.33
Term Loan	48 monthly installments from August 2021	INR	17*	53.78	-	-	-	53.78
Term Loan	60 monthly installments from April 2021	INR	24	160.00	160.00	-	-	320.00
Term Loan	8 Equal Quarterly Installments from January 2024	INR	7	200.00	150.00	-	-	350.00
Term Loan	60 monthly installments from October 2023	INR	54	100.00	100.00	250.00	-	450.00
Term Loan	13 Quarterly installments starting from August 2024	INR	13	105.00	140.00	255.00	-	500.00
Term Loan	8 Quarterly installments starting from October 2023	INR	5	106.25	141.70	-	-	247.95
Term Loan	45 Monthly instalments starting from October 2022	INR	27	125.04	125.04	23.94	-	274.02
Term Loan	12 equal half yearly installments from September 2020	USD	5	83.40	83.40	41.70	-	208.50
Term Loan	12 equal half yearly installments from April 2021	USD	6	264.10	264.10	264.10	-	792.30
Term Loan	12 equal half yearly installments from April 2021	USD	6	208.50	208.50	208.50	-	625.50
Term Loan	15 Quarterly Installments from September 2023	USD	12	225.20	362.76	550.44	-	1,138.40
Term Loan	12 equal Quaterly Installments from June 2024	EUR	12	501.17	501.17	501.17	-	1,503.51
Term Loan	16 quarterly installments from December 2023	CAD	15	26.37	30.77	114.28	-	171.42
Term Loan	12 equal half yearly installments from February 2022	USD	6	354.81	354.81	354.81	-	1,064.43
Term Loan	16 quarterly installments from December 2023	CAD	15	424.79	495.59	1,840.73	-	2,761.11
Vehicle Loan	Monthly installments starting from July 2019	INR	04-29	18.87	17.68	5.59	-	42.14
Vehicle Loan	Monthly installments starting from August 2021	INR	28	1.88	2.02	0.71	-	4.61
	Total			3,568.99	3,400.62	4,410.97	-	11,380.58

* Installments are prepaid subsequent to reporting date.
** Repayment Terms are futher enlongated by 6 Months on account of availment of Moratorium based on RBI Guidelines vide no. RBI/2019-20/186.

(c) Repayment terms of unsecured borrowing outstanding as on March 31, 2024.

Nature of facility	Repayment terms	Currency	Number of Installments outstanding	Within 1 year	1 to 2 years	2 to 5 years	Above 5 years	Total
Loan under New Millennium Indian Technology Leadership Initiative	10 Yearly installments starting from August 1, 2017	INR	3	18.41	18.41	15.53	-	52.35
				18.41	18.41	15.53	-	52.35

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(d) Repayment terms of secured borrowing outstanding as on March 31, 2023

Nature of facility	Repayment terms	Currency	Number of Installments outstanding	Within 1 year	1 to 2 years	2 to 5 years	Above 5 years	Total
Term Loan	48 monthly installments from January 2020 **	INR	12	71.63	-	-	-	71.63
Term Loan	16 quarterly installments from January 2021	INR	7	125.00	93.75	-	-	218.75
Term Loan	16 equal quarterly installments from April 2018 **	INR	1	53.13	-	-	-	53.13
Term Loan	16 equal quarterly installments from April 2020 **	INR	5	121.88	80.95	-	-	202.83
Term Loan	60 monthly installments from December 2019	INR	23	50.00	45.83	-	-	95.83
Term Loan	20 Equal Quarterly Installments from May 2021	INR	12	200.00	200.00	200.00	-	600.00
Term Loan	60 monthly installments from April 2021	INR	36	140.00	140.00	140.00	-	420.00
Term Loan	8 Equal Quarterly Installments from June 2023	INR	8	186.92	250.00	63.08	-	500.00
Term Loan	2 Equal Monthly Installment Post Completion of Original Term Loans Tenure	INR	2	-	15.34	-	-	15.34
Term Loan	60 monthly installments from August 2019	INR	19	100.00	58.33	-	-	158.33
Term Loan	48 monthly installments from August 2021	INR	29	37.96	37.96	15.82	-	91.74
Term Loan	28 quarterly ballooning installments from April 2019	INR	9	106.25	141.70	141.70	-	389.65
Term Loan	2 Equal Monthly Installment Post Completion of Original Term Loans Tenure	INR	2	-	-	29.76	-	29.76
Term Loan	60 monthly installments from April 2021	INR	36	160.00	160.00	160.00	-	480.00
Term Loan	16 Equal Quarterly Installments from April 2023	INR	16	350.00	350.00	700.00	-	1,400.00
Term Loan	8 Equal Quarterly Installments from January 2024	INR	8	50.00	200.00	150.00	-	400.00
Term Loan	45 Monthly Instalments starting from October 2022	INR	39	125.04	125.04	148.98	-	399.06
Term Loan	48 monthly installments from March 2019 **	USD	2	58.95	-	-	-	58.95
Term Loan	12 equal half yearly installments from September 2020	USD	7	82.17	82.17	123.26	-	287.60
Term Loan	12 equal half yearly installments from April 2021	USD	8	260.21	260.21	520.41	-	1,040.83
Term Loan	12 equal half yearly installments from April 2021	USD	8	205.43	205.41	410.85	-	821.69
Term Loan	15 Quarterly Installments from September 2023	USD	15	110.93	221.86	899.76	-	1,232.55
Term Loan	16 equal Quarterly Installments from March 2022	CAD	11	69.32	69.32	51.99	-	190.63
Term Loan	12 equal half yearly installments from February 2022	USD	8	348.68	348.68	697.36	-	1,394.72
Vehicle Loan	Monthly installments starting from March 2017	INR	06-41	21.06	18.87	23.27	-	63.20
Vehicle Loan	Monthly installments starting from October 2017	INR	40	1.75	1.88	2.73		6.36
	Total			3,036.31	3,107.30	4,478.97	-	10,622.58

** Repayment Terms are futher enlongated by 6 Months on account of availment of Moratorium based on RBI Guidelines vide no. RBI/2019-20/186.

(e) Repayment terms of unsecured borrowing outstanding as on March 31, 2023.

Nature of facility	Repayment terms	Currency	Number of Installments outstanding	Within 1 year	1 to 2 years	2 to 5 years	Above 5 years	Total
Loan under New Millennium Indian Technology Leadership Initiative	10 Yearly installments starting from August 1, 2017	INR	4	18.41	18.41	32.21	-	69.03
				18.41	18.41	32.21	-	69.03

(h) The long term borrowing facilities are repayable with a range of interest for foreign currency loans in USD at SOFR with spread ranging from 260 bps to 357 bps (March 31, 2023 : 154 bps to 365 bps), foreign currency loan in EURO at ESTR+170 bps, CAD at CORRA+ 319 bps (March 31, 2023: Prime rate with 75 bps), For Rupee loans MCLR, T-bill or MIBOR with various spreads ranging from 50 bps to 204 bps (March 31, 2023 : 50 bps to 359 bps), for Rupees loans LTLR with spread of 1205 bps (LTLR / LTRR March 31, 2023 : 780 bps to 1105 bps) and vehicle loan ranging from 7.20% to 9.35% (March 31, 2023 : 7.20% p.a. to 9.39% p.a.)

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Rs. in million

Note 20 Other non-current financial liabilities	March 31, 2024	March 31, 2023
Trade deposits (refer note below)	240.42	144.42
Consideration payable (including contingent consideration) towards acquisition of subsidiary (refer note 63)	2,364.41	-
Allowance for expected sales returns (refer note 25)	340.24	350.00
Other liabilities	0.72	0.72
Total	2,945.79	495.14

Note : Includes deposit from firm in which directors of the Holding Company are interested - Rs. 10.00 million (March 31, 2023 - Rs. 10.00 million).

Rs. in million

Note 21 Non-current provisions	March 31, 2024	March 31, 2023
Provision for employee benefits		
Provision for compensated absences	433.20	396.65
Total	433.20	396.65

Rs. in million

Note 22 Other non-current liabilities	March 31, 2024	March 31, 2023
Deferred government grant (refer note 46B and 61)	162.05	162.31
Deferred revenue	0.61	0.59
Total	162.66	162.90

Rs. in million

Note 23 Current borrowings	March 31, 2024	March 31, 2023
Secured		
Current maturities of non current borrowing (refer note 19)	3,587.40	3,054.72
Working capital loans from banks	8,236.33	7,163.89
Cash credit facilities / bank overdraft repayable on demand from banks	1,250.09	4,168.71
Interest accrued but not due on borrowings	148.20	133.28
Less: Transaction cost attributable to the borrowings	(14.86)	(12.61)
Total	13,207.16	14,507.99

Note:

a) Working capital loans and Cash credit facilities / bank overdraft are secured by hypothecation of inventories, book debts and receivables (refer note 55). In addition, short term borrowing facilities of Gennova Biopharmaceuticals Limited, Marcan Pharmaceuticals Inc., Mantra Pharma Inc, Emcure Pharmaceuticals Mena FZ LLC. and Emcure Pharma Philippines Inc are also secured by corporate guarantee of Holding company.

b) Breakup of working capital is as below;

Rs. in million

	March 31, 2024	March 31, 2023
Indian currency working capital loans from banks	5,172.45	5,515.60
Foreign currency working capital loans from banks	3,063.88	1,648.29
Total	8,236.33	7,163.89

c) Certain short term borrowings are secured by pledge of 14.57% of shares of Avet Lifescience Private Limited and Corporate guarantee from Avet Lifescience Private Limited.

d) The cash credit facilities / bank overdraft facilities are repayable on demand and working capital loans are repayable within a year with a range of interest rate on foreign currency loans in USD at SOFR+60 bps to SOFR+65 bps, foreign currency loans in CAD at Prime rate +1.15%, CORRA + 3.20% , foreign currency loan in Dubai at EIBOR+ 2.60%, for Rupee loans 7.80% p.a. to 9.65% p.a. and foreign currency loan in Philippines at 8.71%
(March 31, 2023 : USD at SOFR+70 bps to SOFR + 110 bps, foreign currency loans in EURO at EURIBOR + 100 bps, foreign currency loans in CAD at Prime rate +0.75%, Foreign currency loans in GBP at SONIA+3.00%, foreign currency loan in Dubai at EIBOR+ 2.47% and for Rupee loans 7.60% p.a. to 9.60% p.a.)

e) Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note 42.

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Rs. in million

Note 24 Trade payables	March 31, 2024	March 31, 2023
Trade payables to related parties (refer note 50)	88.09	88.58
Other trade payables		
Total outstanding dues of micro and small enterprises (refer note 60)	169.10	190.53
Total outstanding dues of creditors other than micro and small enterprises	12,836.48	10,581.99
Total	13,093.67	10,861.10

Note :

1. The Group's exposure to currency and liquidity risks related to trade payables is disclosed in Note 42.
2. All trade payables are current.

Rs. in million

As at March 31, 2024	Unbilled dues	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Micro and small enterprises	0.21	168.89	-	-	-	169.10
Others	3,006.04	8,924.38	382.47	553.52	58.16	12,924.57
Disputed dues - Micro and small enterprises	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	3,006.25	9,093.27	382.47	553.52	58.16	13,093.67

Rs. in million

As at March 31, 2023	Unbilled dues	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Micro and small enterprises	0.10	190.43	-	-	-	190.53
Others	2,267.12	7,633.95	702.54	43.65	23.31	10,670.57
Disputed dues - Micro and small enterprises	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	2,267.22	7,824.38	702.54	43.65	23.31	10,861.10

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Rs. in million

Note 25 Other current financial liabilities	March 31, 2024	March 31, 2023
Employee benefits payable	1,930.65	1,736.86
Allowance for expected sales return (refer footnote (c) below)	709.28	620.54
Other payables (refer note (b) below)	85.28	53.40
Payables for capital asset	319.03	395.07
Total	3,044.24	2,805.87

Notes :

a) The Group's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 42.

b) Includes amount payable to related parties for commission / interest amounting to Rs. 25.77 million (March 31, 2023 - Rs. 24.27 million).

c) Movements in allowance for sales return and breakage expiry

Rs. in million

Particulars	March 31, 2024	March 31, 2023
Beginning of the year	970.54	935.42
Acquired under business combination (Refer note no 63)	13.03	-
Provisions made during the year	1,278.70	1,119.76
Effect for unwinding of discounts	50.37	49.48
Provisions utilised during the year	(1,263.54)	(1,133.80)
Change due to translation of provision of foreign operation	0.42	(0.32)
At the end of the year	1,049.52	970.54
Current	709.28	620.54
Non-current (Refer note 20)	340.24	350.00

An allowance is recognized for expected sales retuern on products sold by the Group during the year based on the past experiences of level of return. Assumptions used to calculate said allowance are based on current sales and current information availbale about sales return.

Rs. in million

Note 26 Current provisions	March 31, 2024	March 31, 2023
Provision for compensated absences	224.05	214.10
Provision for gratuity (refer note 51)	233.30	183.40
Other provisions	-	3.42
Total	457.35	400.92

Rs. in million

Note 27 Income tax assets / (liabilities) (net)	March 31, 2024	March 31, 2023
Income tax assets (net of provisions)	872.48	633.07
Income tax liabilities (net of advance tax)	(534.45)	(487.75)
Net	338.03	145.32

Rs. in million

Note 28 Other current liabilities	March 31, 2024	March 31, 2023
Statutory dues including provident fund and withholding taxes	952.06	623.63
Contract liabilities (advances from customers) (refer note (b) below)	333.10	168.33
Deferred government grant (refer note 61)	10.32	10.32
Other liabilities	153.19	84.11
Total	1,448.67	886.39

Notes:

(a) For revenue recognized during the year from contract liabilities, refer note 54.

(b) Includes advance received from customers relating to 'Assets Held for Sale' amounting to Rs 207.51 million (March 31, 2023: Nil)

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Rs. in million

Note 29 Revenue from operations	March 31, 2024	March 31, 2023
Revenue from contracts with customers		
Sale of products	65,362.86	58,743.26
Sale of services	369.11	567.50
Commission	87.95	-
	65,819.92	59,310.76
Other operating revenues		
Scrap sales	62.11	63.88
Export incentives	68.00	36.90
GST refund received (refer note 47)	42.65	31.00
Income arising from other government grant (refer note 61)	589.83	415.57
	762.59	547.35
Total	66,582.51	59,858.11

Rs. in million

Note 30 Other income	March 31, 2024	March 31, 2023
Interest income under the effective interest method from banks and others	207.59	118.34
Profit on sale of investments	23.16	1.21
Gains on foreign exchange fluctuation (net)	131.85	190.15
Profit on sale of property, plant and equipment	71.92	-
Net gain on financial assets measured at FVTPL	2.16	-
Miscellaneous income (refer note below)	133.22	149.35
Total	569.90	459.05

Mainly include income from related parties like financial guarantee fees, etc. Refer note 50 for details.

Rs. in million

Note 31 Cost of material consumed	March 31, 2024	March 31, 2023
A: Raw material consumed		
Opening inventory	3,787.65	4,201.53
Add : Purchases (net)	10,589.93	9,157.71
	14,377.58	13,359.24
Less: Closing inventory	(3,232.58)	(3,787.65)
Cost of raw materials consumed during the year	11,145.00	9,571.59
B: Packing material consumed		
Opening inventory	1,037.11	727.37
Add : Purchases (net)	2,130.64	2,204.07
	3,167.75	2,931.44
Less: Closing inventory	(981.49)	(1,037.11)
Cost of packing materials consumed during the year	2,186.26	1,894.33
Total (A+B)	13,331.26	11,465.92

Rs. in million

Note 32 Changes in inventory of finished goods, work in progress and stock-in-trade	March 31, 2024	March 31, 2023
Opening inventory		
Work-in-process	1,515.98	1,551.38
Finished goods	1,936.35	2,314.18
Stock-in-trade	4,873.35	5,127.02
	8,325.68	8,992.58
Less: Closing inventory		
Work-in-process	2,534.38	1,515.98
Finished goods	2,613.16	1,936.35
Stock-in-trade	5,080.06	4,873.35
	10,227.60	8,325.68
Changes in inventory of finished goods, work in progress and stock-in-trade	(1,901.92)	666.90

Note:
During the year ended March 31, 2024, the Group acquired inventory under business combination which is included in 'Purchases of stock-in-trade'. Also refer note 63.

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Note 33 Employee benefit expenses	March 31, 2024	March 31, 2023
Salaries, wages and bonus	11,379.04	9,766.99
Contribution to provident and other funds (refer note 51)	737.49	643.39
Gratuity (refer note 51)	174.38	188.13
Employee share-based payment expenses (refer note 52)	39.67	52.76
Staff welfare expenses	590.22	522.05
Total	12,920.80	11,173.32

Rs. in million

Note 34 Other expenses	March 31, 2024	March 31, 2023
Processing charges	914.81	593.38
Factory consumables	1,341.60	1,475.66
Contractual Services	613.59	547.74
Power and fuel	1,200.43	1,085.82
Insurance	229.64	230.46
Repair and maintenance	603.12	579.91
Rent (refer note 3)	71.40	67.06
Rates and taxes	247.67	145.48
Freight and forwarding expenses	1,259.87	1,286.72
Advertisement and promotional materials	2,787.99	1,828.19
Travelling and conveyance	1,756.84	1,574.46
Commission on sales	1,297.38	1,030.33
Printing and stationery	165.91	137.33
Legal and professional fees (refer note (a) below)	2,101.10	2,063.91
Payment to auditors (refer note(b) below)	13.45	8.56
Commission to non whole time directors	37.85	31.98
Directors sitting fees	15.57	3.96
Loss allowance for doubtful debts	129.58	53.44
Loss on sale of property, plant and equipment	-	3.33
Bad debts written off	385.47	192.29
Expenditure towards corporate social responsibility (refer note 59)	135.79	145.44
Miscellaneous expenses	1,301.25	1,182.25
Total	16,610.31	14,267.70

Notes:

(a) Includes consultancy fees paid in relation to HDT matter amounting to Rs. 311.94 million (March 31, 2023: Rs. 145.94 million) (Refer note 45 and 64).

(b) payment to auditors

Rs. in million

	March 31, 2024	March 31, 2023
As auditor:		
Audit fees excluding taxes	8.99	7.34
Other services *	3.40	0.69
Out of pocket expenses	1.06	0.53
Total	13.45	8.56

* Excludes payment to auditors amounting to Rs. 27.43 million (March 31, 2023 - Rs Nil) towards IPO related services.

Rs. in million

Note 35 Depreciation and amortisation expenses	March 31, 2024	March 31, 2023
Depreciation on property, plant and equipment	2,096.44	1,797.44
Depreciation on right-of-use assets	399.85	280.50
Amortisation of intangible assets	627.78	523.24
Total	3,124.07	2,601.18

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Rs. in million

Note 36 Finance cost	March 31, 2024	March 31, 2023
Interest on long-term borrowings measured at amortised cost (refer note 2A & 2B)	976.23	789.61
Interest on short-term borrowings measured at amortised cost (refer note 2A & 2B)	784.38	710.85
Unwinding of discount on deferred consideration	58.32	-
Interest on shortfall of advance tax	6.81	9.20
Interest accrued on lease liability	181.17	119.49
Other borrowing costs	280.83	286.90
Exchange differences to the extent regarded as an adjustment to borrowing costs	83.73	220.03
Total	2,371.47	2,136.08

Rs. in million

Note 37 Exceptional Items	March 31, 2024	March 31, 2023
Consultancy fees (see note (a) below)	99.31	-
Share issue expenses written off (see note (b) below)	-	61.46
Total	99.31	61.46

Notes :

(a) Consultancy fees paid in relation to acquisition of Canadian entities amounting to Rs. 99.31 million (March 31, 2023 - Rs. Nil), has been classified as exceptional item.

(b) Share issue expenses written off in the current year were in respect of the Holding Company's Proposed Initial Public Offer (refer note 66).

Rs. in million

Note 38 Tax expenses recognised in statement of profit and loss	March 31, 2024	March 31, 2023
Current tax		
Current year	2,033.12	1,694.84
Tax related to prior years	63.27	38.12
Total current tax expense	2,096.39	1,732.96
Deferred tax		
Originating and reversal of temporary differences	(132.96)	120.74
Change in tax rate	16.56	-
Changes in temporary differences of earlier years	16.54	-
Total deferred tax	(99.86)	120.74
Total	1,996.53	1,853.70

Rs. in million

Tax income recognised in OCI	March 31, 2024	March 31, 2023
Remeasurements of post-employment benefit obligations	5.72	(18.78)
Changes in the fair value of equity instruments at FVOCI	16.56	-
Total	22.28	(18.78)

Rs. in million

Tax expense recognised in other equity	March 31, 2024	March 31, 2023
General reserve	(0.42)	(9.07)
Total	(0.42)	(9.07)

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Note 38 : Tax expenses (continued)

Significant estimates

In assessing the realisability of the deferred tax asset balance with respect to Minimum alternate tax (MAT) credit entitlements and carry forward tax losses, management has considered whether partial or all of the MAT credit entitlement and carry forward tax losses will not be realised. The ultimate realisation of benefit related to MAT credit and carry forward tax losses is dependent upon the generation of future taxable income greater than book profit as per provisions of Income Tax Act, 1961, before expiry of credit and carry forward period. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income and tax planning strategy in making this assessment. Based on the level of historical taxable income and projections of future taxable income over the periods in which the MAT credit are deductible as well carry forward losses will be utilised, management believes that the Group will realise the benefit. The amount of deferred tax asset on account of MAT credit and carry forward losses is considered to be realisable, however, could be reduced in the near term if estimates of future taxable income undergo any change as compared to the estimates made by the management as at reporting date. Management has performed the sensitivity analysis on the future expected taxable profits and do not expect any loss of benefit related to these items.

Rs. in million

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:	March 31, 2024		March 31, 2023	
	%	Amount	%	Amount
Profit before tax		7,272.28		7,472.15
		7,272.28		7,472.15
Tax using the Holding Company tax rate of 25.17%	**25.17%**	1,830.43	**25.17%**	1,880.74
Tax effect of amounts which are not (deductible) / taxable in calculating taxable income:				
Non taxable income	-0.02%	(1.16)	0.00%	-
Non deductible expenses	1.25%	90.71	1.84%	137.65
Change in tax rate	0.23%	16.56	0.00%	-
Difference in tax rates in foreign jurisdictions	-0.24%	(17.17)	-2.08%	(155.43)
Difference in tax rates of Indian Subsidiairies	0.70%	50.86	0.23%	17.06
Tax related to prior years	0.87%	63.27	0.51%	38.12
Unrecognised deferred tax assets	-0.78%	(56.85)	0.47%	35.38
Changes in temporary differences of earlier years	0.23%	16.54	-0.67%	(50.15)
Other items	0.05%	3.34	-0.66%	(49.67)
Effective tax rate	27.45%	1,996.53	24.81%	1,853.70

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Rs. in million

Note 39 Deferred tax assets	March 31, 2024	March 31, 2023
Deferred tax assets :		
Intangible assets	257.41	237.62
Loss allowance	-	4.97
Provision - employee benefit	-	18.95
Carry forward of tax losses	198.62	225.84
Government grant	-	17.06
Minimum alternate tax credit entitlement	-	171.93
Inventories	494.04	474.13
Others	44.99	18.53
Lease Liability	-	36.60
Total	**995.06**	**1,205.63**
Deferred tax liabilities :		
Property, Plant and Equipment	24.98	180.83
Intangible assets	-	1.16
Others	2.12	2.66
Right-of-use assets	-	29.72
Total	**27.10**	**214.37**
Deferred tax assets - net	**967.96**	**991.26**

Rs. in million

Note 39 Deferred tax liabilities	March 31, 2024	March 31, 2023
Deferred tax liabilities :		
Intangible assets	1,112.62	50.32
Property, Plant and Equipment	886.81	625.58
Others	3.52	34.73
Right-of-use assets	479.38	271.17
Total	**2,482.33**	**981.80**
Deferred tax assets :		
Government grant	20.38	-
Loss allowance	129.12	98.08
Provision - Employee benefit	248.79	182.48
Minimum alternate tax credit entitlement	99.49	-
Others	81.09	-
Lease Liability	529.22	312.29
Total	**1,108.09**	**592.85**
Deferred tax liabilities - net	**1,374.24**	**388.95**

Note: Balances of deferred tax assets and deferred tax liability above, as on the reporting date includes the effects of changes in foreign exchange rates of foreign operations whose functional currency is different than the Group's functional currency, are considered in foreign currency translation reserve and is shown as others in deferred tax movement note 40.

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Rs. in million

Note 40: Movement of Deferred tax assets / (liabilities)	Opening balance as at April 1, 2023*	Transferred to P&L	Transferred to OCI	Acquired through combination of Merger/acquisition	MAT credit utilised / Others	Closing Balance as at March 31, 2024
Minimum alternate tax credit entitlement	171.93	-	-		(72.44)	99.49
Carry forward of tax losses	225.84	(27.22)	-		-	198.62
Provision - Employee benefit	201.43	41.64	5.72		-	248.79
Inventories	474.13	19.91	-		-	494.04
Government grant	17.06	3.32	-		-	20.38
Loss allowance	103.05	26.07	-		-	129.12
Others	(18.86)	89.01	16.56	39.82	(6.09)	120.44
Lease Liability	348.89	180.33	-		-	529.22
Property, Plant and Equipment	(806.41)	(105.38)	-		-	(911.79)
Intangible assets	186.14	50.67	-	(1,092.02)	-	(855.21)
Right-of-use assets	(300.89)	(178.49)	-		-	(479.38)
Total	**602.31**	**99.86**	**22.28**	**(1,052.20)**	**(78.53)**	**(406.28)**

Rs. in million

Note 40: Movement of Deferred tax assets / (liabilities)	Opening balance as at April 1, 2022*	Transferred to P&L	Transferred to OCI	MAT credit utilised / Others	Closing Balance as at March 31, 2023
Minimum alternate tax credit entitlement	178.36	-	-	(6.43)	171.93
Carry forward of tax losses	199.49	26.35	-	-	225.84
Provision - Employee benefit	224.15	(3.94)	(18.78)	-	201.43
Inventories	641.61	(167.48)	-	-	474.13
Government grant	47.11	(30.05)	-	-	17.06
Loss allowance	76.10	26.95	-	-	103.05
Others	(221.87)	189.41	-	13.60	(18.86)
Lease Liability	332.04	16.85	-	-	348.89
Property, Plant and Equipment	(807.92)	1.51	-	-	(806.41)
Intangible assets	359.45	(173.31)	-	-	186.14
Right-of-use assets	(293.86)	(7.03)	-	-	(300.89)
Total	**734.66**	**(120.74)**	**(18.78)**	**7.17**	**602.31**

* Deferred tax assets (net) and deferred tax liabilities (net) as shown in the consolidated financial statements has been clubbed for the aforesaid disclosure.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

Rs. in million

	Year ended March 31, 2024	Year ended March 31, 2023
Gross amount		
Tax losses	533.79	483.39
Total	**533.79**	**483.39**
Unrecognised tax effect		
Tax losses	131.77	112.56
Total	**131.77**	**112.56**

Tax losses for which no deferred tax asset was recognised expire as follows;

Rs. in million

	Year ended March 31, 2024	Year ended March 31, 2023
Expire		
Expiry date : FY 2022-2023	-	13.51
Expiry date : FY 2023-2024	-	31.19
Expiry date : FY 2026-2027	-	39.58
Expiry date : FY 2027-2028	184.99	95.27
Expiry date : FY 2028-2029	179.56	179.56
Expiry date : FY 2029-2030	96.25	96.25
Expiry date : FY 2031-2032	48.63	-
Expiry date : FY 2032-2033	10.20	
Never Expire	14.16	28.03
Total	**533.79**	**483.39**

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Note 41 : Capital management

The group's objectives when managing capital are to
- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. Generally consistent with others in the industry, the group monitors capital on the basis of the gearing ratio. The group strategy is to maintain a gearing ratio less than 1.50x. The gearing ratio at year end is as follows:

Rs. in million

Particulars	March 31, 2024	March 31, 2023
Non-current borrowings	7,665.95	7,441.35
Current borrowings	13,207.16	14,507.99
Gross Debt	20,873.11	21,949.34
Less: Cash and cash equivalents	(1,690.00)	(2,423.42)
Less: Term deposits with banks (current and non-current)	(607.35)	(2,376.29)
Net Debt (A)	18,575.76	17,149.63
Total Equity (B)	31,217.65	26,496.60
Gearing ratio (A/B)	0.60	0.65

Note 42 : Financial risk management

The Group is exposed to a variety of financial risks which results from the Group's operating and investing activities. The Group's risk management is carried out by central treasury department in under guidance of the board of directors and the core management team of the Group, and it focuses on actively ensuring the minimal impact of Group's financial position.

This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, Investments, trade receivables, financial assets measured at amortised cost.	Aging analysis, Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (Rs.)	Cash flow forecasting Sensitivity analysis	Effective management of foreign exchange inflow and outflow. Borrowing in foreign currency to fulfil foreign currency obligation
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Ongoing review of existing borrowing rates and seeking for new facilities at lower rate.

A) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and other financial assets. Credit risk is managed 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. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables.

Other financial assets that are potentially subject to credit risk consists of cash equivalents, investments and deposits.

Further, the Group also recognises loss allowance by using a provision matrix based on historical credit loss experience wherein fixed provision rates are defined for each financial asset which is past due / not due. The Group depending on the diversity of its asset base, uses appropriate Groupings if the historical credit loss experience shows significant different loss patterns for different customer segments / financial assets.

Also, the Group limits its exposure to credit risk from receivables by establishing a maximum payment period for customers.

The Group considers the recoverability from financial assets on regular intervals so that such financial assets are received within the due dates.

The Group has exposure to credit risk which is limited to carrying amount of financial assets recognised at the date of Balance Sheet

Trade receivables

Trade receivables are usually due within 7-180 days. Generally, and by practice most domestic customers enjoy a credit period of approximately 7-45 days and for export customers, the credit period ranges from 30 to 180 days. The receivables are not interest bearing, which is the normal industry practice. All trade receivables are subject to credit risk exposure. However, the Group does not identify specific concentration of credit risk with regard to trade receivables, as the amounts recognized represent a large number of receivables from various customers. Certain receivables are also backed by letter of credit from the banks, resulting into negligible credit risk in recovery of such receivables.
The Group's exposure to credit risk for trade receivables, other receivables, loans and contract assets by geographic region was as follows;

Rs. in million

	March 31, 2024	March 31, 2023
Within India	17,935.68	14,053.38
Outside India	7,254.32	8,497.29
	25,190.00	22,550.67

The Group uses a provision matrix (simplified approach) to measure the expected credit loss of trade receivables and other financial assets measured at amortised cost.

Year ended March 31, 2024:

Expected credit loss for trade receivables under simplified approach

Rs. in million

Ageing	Not Due	0-90 days past dues	91-180 days past dues	181-270 days past dues	271-360 days past dues	More than 360 days past dues	Total
Gross carrying amount*	6,091.47	2,227.49	798.60	658.85	420.18	645.34	10,841.93
Weighted-average loss rate (includes interest as well as credit loss)	-1.21%	-1.64%	-2.84%	-3.57%	-8.39%	-48.28%	-4.64%
Expected credit losses (loss allowance provision)	(73.42)	(36.58)	(22.69)	(23.52)	(35.24)	(311.59)	(503.04)
Carrying amount of trade receivables (net of impairment)	6,018.05	2,190.91	775.91	635.33	384.94	333.75	10,338.89

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Note 42 : Financial risk management (continued)

A) Credit risk (Continued)

Year ended March 31, 2023:

Expected credit loss for trade receivables under simplified approach

Rs. in million

Ageing	Not Due	0-90 days past dues	91-180 days past dues	181-270 days past dues	271-360 days past dues	More than 360 days past dues	Total
Gross carrying amount*	6,169.67	2,023.23	366.94	214.11	64.68	481.16	9,319.79
Weighted-average loss rate (includes interest as	-2.64%	-1.57%	-3.20%	-11.67%	-19.76%	-33.85%	-4.37%
Expected credit losses (loss allowance provision)	(162.61)	(31.82)	(11.75)	(24.98)	(12.78)	(162.88)	(406.82)
Carrying amount of trade receivables (net of impairment)	**6,007.06**	**1,991.41**	**355.19**	**189.13**	**51.90**	**318.28**	**8,912.97**

During the year, the Group has made write-offs of trade receivables amount to Rs 385.47 million (March 31, 2023- Rs. 202.64 million)
There are no financial assets which have been written off during the year which are subject to enforcement activity.

* In case of certain subsidiaries located in geographical segments - Africa, Asia (except India), Australia, North America, South America, Europe, management do not expect any expected credit loss against trade receivables based on the past trend of recovery and actual write offs. Therefore trade receivable at the date of balance sheet with respect to these subsidiaries are not included in the analysis above. Provision amounting to Rs 131.24 million (March 31, 2023 - Rs. 89.19 million) was made against receivables of certain specific subsidiaries based on management assessment of recovery of these subsidiaries and such loss provision is not considered in analysis above.

ii) *Reconciliation of loss allowance provision — Trade receivables*

Rs. in million

Particulars	March 31, 2024	March 31, 2023
Loss allowance at the beginning	496.01	384.78
Amounts written off	(385.47)	(192.29)
Net remeasurement of loss allowances	523.74	303.52
Loss allowance at the end	634.28	496.01

Cash and Cash Equivalents, Investments and Deposits with Banks:

With respect to the cash and cash equivalents and deposits with banks, the concentration of credit risk is negligible as these are kept with the reputed banks with very high credit worthiness.

Investments of surplus funds are made only with approved financial institutions. Investments primarily include investments in mutual funds and non-convertible debentures. The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any significant losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

B) Liquidity risk

Liquidity risk management implies maintaining sufficient cash and availability of funds through adequate amount of committed credit facility to meet the commitments arising out of financial liabilities. Due to the dynamic nature of the underlying business, the Group maintains flexibility in funding by maintaining availability under committed credit lines. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet future requirements, monitoring balance sheet liquidity ratios against debt covenants and maintaining debt financing plans and ensuring compliance with regulatory requirements.

The Group manages its liquidity needs by carefully monitoring scheduled debt payments as well as cash requirement for day-to-day business. Liquidity needs are monitored regularly as well as on the basis of a 30-day cash flow projection. Long-term liquidity needs for a period from 180 to 360 days period are identified and reviewed at regular intervals.

The Group maintains cash and marketable securities to meet its liquidity requirements. Funding in regards to long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities. The Group is confident of being able to roll forward its short term borrowings.

I) Financing arrangements

The Group has access to undrawn borrowing facilities including overdraft facility at the end of the reporting period.
The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice subject to the continuance of satisfactory credit ratings.

ii) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity Groupings based on their contractual maturities for:
- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

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Note 42 : Financial risk management (continued)

B) Liquidity risk (continued)

ii) *Maturities of financial liabilities (continued)*

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Rs. in million

Contractual maturities of financial liabilities	within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
March 31, 2024					
Trade Payable	13,093.67	-	-	-	13,093.67
Borrowings	13,207.16	3,289.41	4,376.54	-	20,873.11
Trade deposits	-	-	240.42		240.42
Lease Liabilities	517.62	280.62	1,224.60	1,717.25	3,740.09
Other financial liabilities	3,044.24	255.90	2,449.47	-	5,749.61
Total	29,862.69	3,825.93	8,291.03	1,717.25	43,696.90
March 31, 2023					
Trade Payable	10,861.10	-	-	-	10,861.10
Borrowings	14,507.99	3,012.99	4,428.36	-	21,949.34
Trade deposits	-	-	144.42		144.42
Lease Liabilities	342.53	321.12	455.09	1,045.61	2,164.35
Other financial liabilities	2,805.87	263.22	87.50	-	3,156.59
Total	28,517.49	3,597.33	5,115.37	1,045.61	38,275.80

C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). During the year ended 31 March 2023, the Group undertook amendments to its financial instruments with contractual terms indexed to IBORs such that they incorporate new benchmark rates, e.g., transition from LIBOR to SOFR. As at 31 March 2022, some of the Group's IBOR exposure was indexed to US dollar LIBOR. The alternative reference rate for US dollar LIBOR is the Secured Overnight Financing Rate (SOFR). The Group finished the process of implementing appropriate fallback clauses for all US dollar LIBOR indexed exposures in year ended 31 March 2023. These clauses would automatically switch the instrument from USD LIBOR to SOFR as per the next interest reset dates.

i) *Foreign currency risk*

The Group operates in international market and a major portion of its business is transacted in different currencies and consequently the Group is exposed to foreign exchange risk through its sales and services and imported purchase to / from various countries.

The Group's foreign currency exposure is mainly in USD, EURO and GBP. The Group's financial liabilities mainly constitutes bank loans and trade payable. Further, the Group receives foreign currency against its exports receivables on regular basis against which the Group pays its loan and import commitments. To mitigate the risk arising on account of foreign exchange fluctuation management closely monitors the cash inflows based on review of expected future movement.

The bulk of contributions to the Group's assets, liabilities, income and expenses in foreign currency are denominated in USD, Euro and GBP. Foreign currency denominated financial assets and liabilities expressed in Rs. as at the closing are as follows:

Foreign currency risk exposure:

Particulars	Currency	Foreign currency in million		Rs. in million	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Financial assets					
Receivables (including other receivables)	EURO	4.51	2.22	406.26	197.64
	USD	59.27	41.70	4,943.47	3,426.44
	ZAR	-	23.77	-	109.78
	Others*	1.13	0.63	25.57	34.47
Cash and cash equivalents	USD	1.03	6.32	85.99	519.28
	EURO	0.88	1.61	79.01	143.61
	CAD	-	1.98	-	120.15
	GBP	-	1.11	-	112.48
	Others*	0.09	0.02	0.08	0.06
Total				5,540.38	4,663.91
Financial liabilities					
Trade Payable	EURO	6.53	3.94	587.23	351.81
	USD	15.21	18.91	1,268.93	1,553.55
	GBP	4.88	2.23	513.59	225.50
	Others*	0.00	0.00	0.08	0.00
Other Financial Liabilities	USD	0.88	1.02	72.98	83.93
	CAD	-	-	-	-
	Euro	0.07	0.03	5.86	2.35
Loans Payable	USD	71.09	82.57	5,928.70	6,784.15
	CAD	-	-	-	-
	Euro	16.71	9.00	1,503.50	802.78
Total				9,880.88	9,804.07

* Foreign currencies of insignificant value

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Note 42 : Financial risk management (continued)

C) Market risk (continued)

i) *Foreign currency risk (continued)*

Sensitivity:

Rs. in million

Particulars	Impact on profit before tax	
	March 31, 2024	March 31, 2023
USD sensitivity		
USD/INR -Increase by 4% (March 31, 2023 4%)*	(89.65)	(179.04)
USD/INR -Decrease by -4% March 31, 2023 - 4%)*	89.65	179.04
EURO sensitivity		
EURO/INR -Increase by 2% (March 31, 2023 2%)*	(32.23)	(16.31)
EURO/INR -Decrease by -2% (March 31, 2023 - 2%)*	32.23	16.31
GBP sensitivity		
GBP/INR -Increase by 8% (March 31, 2023 8%)*	(41.09)	(9.04)
GBP/INR -Decrease by -8% (March 31, 2023 -8%)*	41.09	9.04

* Holding all other variables constant

iii) *Interest rate risk*

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During March 31, 2024 and March 31, 2023 the Group's borrowings at variable rate were mainly denominated in INR, USD, CAD and GBP.

a) *Interest rate risk exposure*
The Group's interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

As a part of Group's interest risk management policy, treasury department closely tracks the base interest rate movements on regular basis. Based on regular review, management assesses the need to enter into interest rate swaps contracts to hedge interest rate risk. Management reviews the future movement in base rate against different factors such as overall micro and macro economic factors, liquidity in the system, expected spending cycle. Further on regular basis management assess the possibility of entering into new facilities which would reduce the future finance cost which helps management to mitigate the risk related to interest rate movement.

All the borrowing are at floating rate, except for those disclosed as fixed rate borrowings under note 19.

b) Sensitivity

The Group's policy is to minimize interest rate cash flow risk exposures on borrowing. The Group has exposure to foreign currency as well as local currency. The local currency loans are linked to bank base rate/ marginal cost of funds based lending (MCLR) whereas foreign currency loans are majorly linked with USD libor linked rates.

The sensitivity of profit or loss to changes in the interest rates arises.

Rs. in million

Particulars	Impact on profit before tax	
	March 31, 2024	March 31, 2023
Interest rates — increase by 25 basis points (25 bps) *	(52.30)	(55.06)
Interest rates — decrease by 25 basis points (25 bps) *	52.30	55.06

* Holding all other variables constant

The bank deposits are placed on fixed rate of interest of approximately 2.00% p.a. to 8.25% p.a (March 31, 2023: 4% to 8.25% p.a.). As the interest rates do not vary unless such deposits are withdrawn and renewed, interest rate risk is considered to be low.

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Note 43 : Fair value measurements

A. Accounting classifications and fair value
The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy.

Rs. in million

March 31, 2024 Carrying amounts and fair values of financial assets and financial liabilities	Carrying amounts valued at				Fair value			
	Fair Value	Amortised Cost	Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income								
Investment in LLP (FVOCI)	184.20	-	-	184.20	-	-	184.20	184.20
Financial assets measured at fair value through Profit & Loss								
Investment in Mutual Fund	392.16	-	-	392.16	392.16	-	-	392.16
Financial assets not measured at fair value*								
Investment in Non convertible debentures (including accrued interest)	-	2,604.35	-	2,604.35	-	-	-	-
Security deposits	-	370.87	-	370.87	-	-	-	-
Trade receivables	-	18,588.05	-	18,588.05	-	-	-	-
Cash and cash equivalents	-	1,690.00	-	1,690.00	-	-	-	-
Term deposits with banks	-	607.35	-	607.35	-	-	-	-
Other financial assets	-	753.02	-	753.02	-	-	-	-
Total financial assets	**576.36**	**24,613.64**	-	**25,190.00**	**392.16**	-	**184.20**	**576.36**
Financial liabilities not measured at fair value*								
Long term borrowings (including current maturities)	-	11,253.35		11,253.35	-	-	-	-
Short term borrowings	-	9,619.76	-	9,619.76	-	-	-	-
Lease Liabilities		2,476.60		2,476.60	-	-		
Trade deposits	-	240.42	-	240.42	-	-	-	-
Trade payables	-	13,093.67	-	13,093.67	-	-	-	-
Creditors for capital assets	-	319.03		319.03				-
Other financial liabilities	-	3,066.17	-	3,066.17	-	-	-	-
Financial liabilities measured at fair value								
Consideration (including contingent consideration) payable towards acquisition of subsidiary	2,364.41	-	-	2,364.41	-	-	2,364.41	2,364.41
Total financial liabilities	**2,364.41**	**40,069.00**	-	**42,433.41**	-	-	**2,364.41**	**2,364.41**

Rs. in million

March 31, 2023 Carrying amounts and fair values of financial assets and financial liabilities	Carrying amounts valued at				Fair value			
	Fair value	Amortised Cost	Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through Level 3								
Investment in LLP (FVOCI)	250.00	-	-	250.00	-	-	250.00	250.00
Financial assets not measured at fair value*								
Security deposits	-	288.91	-	288.91	-	-	-	-
Trade receivables	-	16,483.00	-	16,483.00	-	-	-	-
Cash and cash equivalents	-	2,423.42	-	2,423.42	-	-	-	-
Term deposits with banks	-	2,376.29	-	2,376.29	-	-	-	-
Other financial assets	-	729.05	-	729.05	-	-	-	-
Total financial assets	**250.00**	**22,300.67**	-	**22,550.67**	-	-	**250.00**	**250.00**
Financial liabilities not measured at fair value*								
Long term borrowings (including current maturities)	-	10,496.07	-	10,496.07				
Short term borrowings	-	11,453.27	-	11,453.27	-	-	-	-
Lease Liabilities	-	1,393.70		1,393.70	-	-	-	-
Trade deposits	-	144.42	-	144.42	-	-	-	-
Trade payables	-	10,861.10	-	10,861.10	-	-	-	-
Creditors for capital assets	-	395.07	-	395.07	-	-	-	-
Other financial liabilities	-	2,761.52	-	2,761.52	-	-	-	-
Total financial liabilities	-	**37,505.15**	-	**37,505.15**	-	-	-	-

* The Group has not disclosed the fair value for financial instruments such as trade receivables, cash and cash equivalents, term deposits with banks, other financial assets and financial liabilities because their carrying amounts are a reasonable approximation of fair value, due to their short-term nature. Fair value of long-term financial assets and financial liabilities carried at amortized cost is not materially different from the carrying amount.

There are no transfers between any levels during the year ended March 31, 2024 and March 31, 2023

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For the year ended March 31, 2024

Note 43 : Fair value measurements (continued)
B. Measurement of fair values

i. Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used. Related valuation process are described in Note 1B(e).

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in LLP	Net Asset Value Method and Comparable Company Market Multiples Method (CCM): Net asset-valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. CCM method involves valuing a company using the market multiples derived from valuation of comparable companies.	Revenue multiple/ EV multiple^	Increase in revenue/ EV multiple will increase the fair value
Contingent consideration	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios of forecast revenue and EBITDA, the amount to be paid under each scenario and the probability of each scenario.	- Forecast annual revenue growth rate - Forecast EBITDA margin - Risk-adjusted discount rate	The estimated fair value would increase (decrease) if: - the annual revenue growth rate were higher (lower); - the EBITDA margin were higher (lower); or - the risk adjusted discount rate were lower (higher). Generally a change in the annual revenue growth rate is accompanied by a directionally similar change in EBITDA margin.

^ EV Multiple - Enterprise Value Multiple

C. Level 3 fair values:
i. Reconciliation of Level 3 fair values:

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

Rs. in million

Particulars	Contingent consideration payable towards acquisition of subsidiary - Mantra	Investment in LLP
As at April 1, 2022		250.00
Changes in fair value of financial instruments		-
As at March 31, 2023	-	**250.00**
Changes in fair value of financial instruments		(65.80)
Consideration payable under business combination (Refer note 63)	2,279.04	-
Unwinding of discount on contingent consideration (Refer note 36)	58.32	-
Others	27.05	-
As at March 31, 2024	**2,364.41**	**184.20**

(ii) Sensitivity analysis

For the fair values of contingent consideration, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Rs. in millions	Profit or loss	
	March 31, 2024	
	Increase	Decrease
Annual revenue growth rate (10% movement) **	(226.05)	244.91
EBITDA margin (5% movement) **	(419.86)	438.71
Risk adjusted discount rate (1% movement) **	69.70	(53.06)

** Holding other variables as constant.

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Note 44 : Contingent liabilities (to the extent not provided for)

Claims against the Group not acknowledged as debts as at year end

Rs. in million

Particulars	March 31, 2024	March 31, 2023
a) Provident fund (refer note (4) below)	53.61	53.61
b) Indirect tax matters (refer note (3) below)	180.30	32.50
c) Income tax matters (refer note (1) and (2) below)	2,613.39	883.37
	2,847.30	969.48
Claims received/ (settled/closed) subsequent to year end		
a) Indirect tax matters (refer note (3) below)	7.75	-
	7.75	-
Total	2,855.05	969.48

Notes:

(1) Zuventus Healthcare Ltd (subsidiary of the Holding Company) is in receipt of various regular assessment orders from Income tax authorities. Income tax demands/matters are in relation to certain deductions/allowances in earlier years, which are pending in appeals. The Subsidiary has responded to such demand notices/appeals and believes that the operation will not have any significant impact on the group's financial position and performances for the year ended March 31, 2024 or any of the earlier periods presented herein.

(2) A Search and seizure operation (the operation) was conducted by the Income Tax Department during the month of December 2020 under section 132 of the Income Tax act, 1961. The Holding Company and its two subsidiaries i.e. Zuventus Healthcare Ltd and Gennova Biopharmaceuticals Ltd have received orders u/s. 153A and have filed appeals with the CIT(A) against the said orders. Considering the disallowances, management is of the view that the matters involved are normal tax matters, and accordingly the operation will not have any significant impact on the group's financial position and performances for the year ended March 31, 2024.

(3) The Holding Company & its subsidiaries i.e. Gennova Biopharmaceuticals Ltd. & Zuventus Healthcare Ltd. are in receipt of various demand notices from the Indian Goods and Services Tax authorities. Customs Duty, Excise Duty, Service Tax and Sales Tax demands for input tax credit disallowances and demand for additional Entry Tax arising from dispute on applicable rate are in appeals and pending decisions. The Group has responded to such demand notices and believes that the chances of any liability arising from such notices are less than probable. Accordingly, no provision is made in the financial statements as of March 31, 2024.

(4) Pursuant to an inspection on Zuventus Healthcare Limited ("Zuventus") by the Employees' Provident Fund Organisation ("EPFO"), EPFO through its order dated June 16, 2010 ("EPFO Order") provided that provident fund should be deducted on fitment allowance for both employee and employers contribution. The same was upheld and confirmed by order of the Employees' Provident Fund Appellate Tribunal, New Delhi dated August 24, 2011 ("Tribunal Order"). Zuventus challenged the same by filing writ petition before Bombay High Court who, vide order dated December 8, 2011 ("Order"), stayed the execution operation and implementation of EPFO Order and the Tribunal Order on the precondition that Zuventus deposits Rs. 20 million with EPFO. The proceedings are currently pending before the Bombay High Court and next hearing date is awaited. Management believes that it has strong grounds of defense in the matter and the said demand will not have any significant impact on the group's financial position and performances for year ended March 31, 2024 or any of the earlier periods presented herein.

(5) Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.

(6) The Holding Company is also contesting other civil claims against the Holding Company which it has not acknowledged as debts and the management believes that its position will likely be upheld in the appellate process. At this stage in the proceedings, it is not possible to estimate the likelihood or extent of the liability, if any.

Note 45 : Other legal matters

AstraZeneca Vs Emcure CS (COMM)-407/2020 (Dapagliflozin Tablet)

On Sep 29, 2020, AstraZeneca filed a patent infringement suit for asserting two patents (IN205147 and IN235625) related to Dapagliflozin, against Emcure and sought injunctive relief. Emcure made statement in Court that "Emcure will not be manufacturing and/or launching its product as it has lost commercial interest in Dapagliflozin". In view of this statement, Delhi High Court passed an order closing the captioned application. On November 15, 2021, Emcure filed an application to withdraw its earlier statement and seek permission for launch of Dapaglifolozin due to revival of business interest. On this basis, the Delhi High Court vide its order dated Feb 22, 2022 has modified its earlier order of Oct 22, 2020, thereby allowing Emcure to manufacture and / or launch the said product subject to the undertaking provided in the Order. Both IN'147 and IN'625 patents expired on October 02, 2020 and May 15, 2023 respectively.

HDT Bio Corp, USA ("HDT") Litigation

Gennova Biopharmaceuticals Ltd ("Gennova" – a subsidiary) entered into a License Agreement ("Agreement") with HDT Bio Corp., USA ("HDT") in August 2021 for the use of HDT's LION carrier technology to formulate a COVID-19 vaccine, register, market and sell said product in India. There were certain disputes which arose between the parties and in accordance with the provisions of the Agreement, HDT initiated arbitration proceedings against Gennova before the London Court of International Arbitration ("LCIA") for breach and for misappropriation of HDT's trade secrets which is currently ongoing.

In May 2024, both the parties resolved their dispute amicably and entered into a settlement agreement which provides amongst others for mutual release from all claims, debts, and liabilities. Pursuant to the said agreement, HDT will cause the LCIA proceedings to be dismissed.

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Note 45 : Other legal matters (continued)

Bristol Myers Squibb (BMS) Vs Emcure CS(COMM)-684/2019

In Dec 2019, BMS sued Emcure in Delhi High Court for infringement of Indian Patent No.247381, expiring on Sep 17, 2022. On Dec 12, 2019, the court granted an ad-interim injunction in favour of BMS and against Emcure. The court directed parties to maintain status quo for launch of its product till the disposal of the application. Thereafter, Emcure filed an appeal division bench of Delhi High Court, which is FAO(OS)(COMM) 377/2019. However, the appeal was disposed off in October 2022 due to the expiry of the suit patent. The right of parties to agitate their respective rights and contentions in respect of the Application for injunction including right to claim restitution, has been kept open to be pursued before the learned Single Judge. The matter is still pending before the Delhi High Court. The Holding Company do not expect any Court decision at least in next few years. There was no launch at risk due to injunction order till patent expiry. Emcure has launched the product only after patent expiry along with several other Generics. Hence the group does not foresee any material adverse effect from the outcome of the case.

Boehringer Ingelheim (BI) Vs Emcure & Others - (Linagliptin)

On June 2, 2022, Shimla Court granted injunction in favour of Boehringer Ingelheim and against Emcure/MSN/Optimus & Eris and directed parties to restrain jointly and severally from infringing BI Patent, i.e. IN'301. Emcure has filed appeal against the said injunction order in Himachal Pradesh High Court. The patent IN'301 expired on August 18, 2023 and the said appeal was dismissed as infructuous on March 12, 2024.

Drug Pricing Matters:

Department of Justice (DOJ)**

On December 2, 2015, Heritage Pharmaceuticals Inc (Heritage) learned that the United States Department of Justice, Antitrust Division ("DOJ") initiated an investigation into Heritage and its employees regarding alleged violations of U.S. antitrust laws, which prohibit contracting or conspiring to restrain, trade or commerce. In support of that investigation, the DOJ executed relevant search warrants at Heritage's premises and at the residence of one of Heritage's national accounts managers. In addition, the DOJ served grand jury subpoenas on Heritage, and several current and former employees, which sought a variety of materials and data relevant to Heritage's generic drug business. Heritage has fully cooperated with the DOJ and responded to its subpoenas.

On May 7, 2018, Heritage received a civil investigative demand from the United States Department of Justice, Civil Division ("DOJ Civil") seeking documents and information in connection with a simultaneous investigation under the False Claims Act.

On May 31, 2019, Heritage announced that it entered into a deferred prosecution agreement ("DPA") with the DOJ relating to a one-count Information for a conspiracy involving glyburide. In conjunction with the DPA, Heritage agreed to pay a USD 225,000 fine. In addition, Heritage also announced that it separately agreed to a settlement with DOJ Civil to resolve potential civil liability under the False Claims Act in connection with the same antitrust conduct. Under the terms of the settlement with DOJ Civil, Heritage agreed to pay USD 7.1 million. These resolutions fully resolve Heritage's potential exposure in connection with the DOJ's ongoing investigation into the generics pharmaceutical industry.

In addition to the above, on May 30, 2019, Emcure Pharmaceuticals Limited ("Emcure") (erstwhile Holding company of Heritage) also entered into a cooperation and non-prosecution agreement ("NPA") with DOJ under which Emcure, and its current officers, directors, and employees received non-prosecution protection in exchange for its agreement to provide cooperation into the DOJ's investigation. These resolutions fully resolve Emcure's potential exposure in connection with the DOJ's ongoing investigation into the generics pharmaceutical industry.

Attorneys General Litigation**

On December 21, 2015, Heritage Pharmaceuticals Inc ("Heritage") received a subpoena and interrogatories from the Connecticut Office of the Attorney General seeking information relating to the marketing, pricing and sale of certain of Heritage's generic products (including generic doxycycline) and communications with competitors about such products. On December 14, 2016, attorneys general of twenty states filed a complaint in the United States District Court for the District of Connecticut against several generic pharmaceutical drug manufacturers and individuals, including Heritage, alleging anticompetitive conduct with respect to, among other things, doxycycline hyclate DR. On June 18, 2018, attorneys general of forty-five states, the District of Columbia and the Commonwealth of Puerto Rico filed an amended consolidated complaint against various drug manufacturers, including Heritage based on the same alleged conduct. The consolidated complaint (the "State AG Complaint") was subsequently amended to add certain attorneys general alleging violations of federal and state antitrust laws, as well as violations of various states' consumer protection laws.

The consolidated State AG Complaint alleges that Heritage engaged in anticompetitive conduct with respect to fifteen different drugs: acetazolamide; doxycycline monohydrate, doxycycline hyclate DR, fosinopril HCTZ, glipizide metformin, glyburide, glyburide metformin, leflunomide, meprobamate, nimodipine, nystatin, paromomycin, theophylline, verapamil, and zoledronic acid. The consolidated State AG Complaint also includes claims asserted by attorneys general of thirty-seven states and the Commonwealth of Puerto Rico against Heritage, Emcure, and certain individuals, including Emcure's Chief Executive Officer, Satish Mehta, with respect to doxycycline hyclate DR. The allegations in the State AG Complaint are similar to those in the previously filed civil complaints (discussed below).

The consolidated State AG Complaint was transferred and consolidated into the ongoing multidistrict litigation captioned In re Generic Pharmaceuticals Pricing Antitrust Litigation, Case No. 16 MD 2724, which is currently pending in the United States District Court, Eastern District of Pennsylvania (the "Antitrust MDL").

On February 28, 2023, the Court in the Antitrust MDL denied almost all dispositive motions filed by the companies - and some of their former executives - to dismiss the price-fixing allegations.

Emcure, Heritage and Satish Ramanlal Mehta have reached a settlement agreement in principle with the Plaintiff States (the "States Settlement Agreement") which is being considered for approval by the Plaintiff States. The finality of the States Settlement Agreement is subject to approval by each individual Plaintiff State. To date, each individual Plaintiff State has now formally approved the States Settlement Agreement, with the limited exception of one remaining state, where approval still remains pending i.e. Louisiana.

Civil Litigation**

Beginning in 2016, Heritage, along with other manufacturers, has been named as a defendant in lawsuits generally alleging anticompetitive conduct with respect to generic drugs. The lawsuits have been filed by putative classes of direct purchases (the "Direct Purchaser Plantiffs"), 2 putative classes of indirect purchasers (the "Endpayer Plantiffs" and the "Indirect Reseller Plantiffs") and by individual opt out plantiff purchasers. They allege harm under federal and state antitrust laws, state consumer protection laws and unjust enrichment claims. Some of the lawsuits also name Emcure and Emcure's Chief Executive Officer, Satish Mehta, as defendants and include allegations against them with respect to doxycycline hyclate DR. The lawsuits have been consolidated in the Antitrust MDL (referenced above).

A number of other lawsuits have been separately filed against Heritage, and various other manufacturers, by individual plaintiffs who have elected to opt-out of the putative classes. These complaints also generally allege anticompetitive conduct with respect to generic drugs which allegedly caused harm under federal and state antitrust laws, state consumer protection laws and unjust enrichment claims. These lawsuits have also been consolidated in the pending Antitrust MDL (referenced above).

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Note 45 : Other legal matters (continued)

Emcure, Heritage and Satish Ramanlal Mehta have entered into settlement agreements including (i) a settlement agreement dated October 31, 2023 for the settlement of all claims filed against Emcure and Heritage by all of the Direct Purchaser Plaintiffs in the Civil Cases (the "DPP Settlement Agreement"), and (ii) a settlement agreement dated November 28, 2023 for the settlement of all claims filed against Emcure and Heritage by all of the End-Payer Plaintiffs in the Civil Cases (the "EPP Settlement Agreement"). Settlements have yet to be negotiated with the Indirect Reseller Plaintiffs and the individual opt-out plaintiff purchasers in the Civil Cases, which comprise individual plaintiff purchasers that are not part of the classes of Direct Purchaser Plaintiffs and the End-Payer Plaintiffs. Both the DPP Settlement Agreement and the EPP Settlement Agreement must be approved by the Court following the filing of motions seeking such approval by the Direct Purchaser Plaintiffs and the End-Payer Plaintiffs, respectively. On January 23, 2024, the Direct Purchaser Plaintiffs filed a motion for approval of the DPP Settlement Agreement, and on February 13, 2024, the Court granted preliminary approval to the DPP Settlement Agreement. The Court also scheduled a Final Approval Hearing for the DPP Settlement Agreement for September 23, 2024. We are currently waiting for the End-Payer Plaintiffs to file a similar motion for approval of the EPP Settlement Agreement as the next step.

** Emcure Pharmaceuticals Limited (the Holding Company) has entered into an indemnity agreement with Avet Lifesciences Limited ("Avet Life"), whereby from the effective date of the scheme of arrangement (as referred in note 60 of the restated consolidated financial information), Avet Life has agreed to indemnify, defend and hold harmless the Holding company and directors, officers, employees, agent, representatives and shareholders of the Holding company (the "Indemnified Parties"), as applicable, from and against any and all the losses suffered or incurred by the Indemnified Parties, which arises out of, or results from or in connection with any claim and any loss suffered by the Indemnified Parties on account of breach by Avet Life or its subsidiaries and affiliates of any covenants, undertakings and/or obligations of the Indemnification Deed, and in relation to losses arising out of certain identified claims including claims and obligations of the Holding Company under pending litigations in the U.S. Pursuant to the Indemnification Deed, Avet Life will assume all losses or liability, and the payment obligation (if any), that would be owed by the Holding company in either the State AG Complaint or the Civil Cases under a negotiated settlement agreement, or an adverse verdict rendered by a jury against our Holding company or our officers, directors and employees. As a result of such indemnity agreement, our Holding company would be liable for any potential settlement obligation, or adverse jury verdict for the amount directed specifically against it, only in the event that Avet Life is unable to fully satisfy such an obligation or verdict.

Canadian Drug Pricing Litigation

Marcan Pharmaceutical Inc ("Marcan") received notice that a purported class action was filed on behalf of a class of direct purchasers against a number of defendants, including Marcan, alleging anticompetitive conduct under Canadian law with respect to the sale of generic drugs. The case is pending in Canadian Federal Court, Toronto, Ontario and captioned Eaton v. Teva Canada Ltd., et al., Court File No.: T-607-20.

On August 23, 2022, the same class of purported direct purchasers filed an amended complaint against a number of brand manufacturers and several other generic manufacturers, including Marcan, which continues to allege certain anticompetitive conduct under Canadian law with respect to the sale of generic drugs.

Marcan denies any liability and fully intends to defend these claims. The parties are engaged in factual discovery in this case, and therefore, at this stage in the proceedings, it is not possible to estimate the likelihood or extent of the Group's potential liability, if any.

General

From time to time, the Group is subject to various disputes, governmental and/or regulatory inquiries or investigations, and litigations, some of which result in losses, damages, fines and charges against the Group. While the Group intends to vigorously defend its position in the claims asserted against it, the ultimate resolution of a matter is often complex, time consuming, and difficult to predict. Therefore, except as described below, the Group does not currently have a reasonable basis to estimate the loss, or range of loss, that is reasonably possible with respect to matters disclosed in this note.

The Group records a provision in its financial statements to the extent that it concludes that a contingent liability is probable and the amount is estimable and has noted those contingencies below. The Group assessments involve complex judgments about future events and often rely heavily on estimates and assumptions. The Group also incurs significant legal fees and related expenses in the course of defending its positions even if the facts and circumstances of a particular litigation do not give rise to a provision in the financial statements.

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Note 46 : Capital and other commitments (to the extent not provided for)

A) Capital commitment

	March 31, 2024	March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	933.08	795.85

B) Other commitments

i) The Group has a 100 per cent Export Oriented Unit (EOU) set up under the permission granted by the Office of the Development Commissioner of SEEPZ Special Economic Zone, Mumbai, and KASEZ, Kandla, Ministry of Commerce, Government of India. The authorities have, inter alia, laid down the following conditions, failing which the Group may be liable for penal action:

i. The entire (100%) production shall be exported against foreign currency except the sales in domestic tariff area admissible as per entitlement.

ii. The Export Oriented Unit of the Group shall be a positive net foreign exchange earner during the block period of 5 years from the date of commencement of production failure to achieve the same the Group will be liable for penal action.

As at the year end, the group is in compliance with the condition laid down by the authorities and does not expect any non-compliance in future.

ii) Gennova Biopharmaceuticals Limited has imported certain machinery under the Export Promotion Capital Goods (EPCG) Scheme and accordingly has an export obligation of Rs. 266.92 million (March 31, 2023 : Rs. 284.34 million). In this respect bank guarantees of Rs. Nil (March 31, 2023 : Rs. 3.87 million) has been given to the Director General of Foreign Trade (DGFT) and Bond of Rs. 158.20 million (March 31, 2023 : Rs. 237.40 millions) to the Commissioner of Customs.

Year of Issue	Export obligation to be fulfilled	Unfulfilled export obligation			
		As at March 31, 2024		As at March 31, 2023	
		USD million	Rs. million	USD million	Rs. million
2021-22	2027-28	0.57	47.14	1.23	100.69
2022-23	2028-29	1.86	155.08	2.24	183.65
2023-24	2029-30	0.78	64.70	-	-
		3.21	266.92	3.47	284.34

iii) Long-term contracts

The group has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the group did not have any long-term contracts for which there were any material foreseeable losses (March 31, 2023: Nil).

iv) Derivative contracts

The group has not entered into any derivative contracts during the year and has no derivative contract outstanding as at the year end (March 31, 2023: Nil).

C) Financial Guarantee given

Emcure Pharmaceuticals Limited has given corporate guarantee to bankers of Avet Lifescience Private Limited in respect of short term borrowings facility availed by it. The amount of Guarantee given and outstanding exposure value against the said guarantee is as below;

	As at March 31, 2024		As at March 31, 2023	
	USD million	Rs. million	USD million	Rs. million
Guarantee given	55.00	4,587.00	65.00	5,341.05
Outstanding exposure	47.48	3,960.20	60.88	5,002.15

The facility of Avet Lifescience Private Limited was closed subsequent to year ended March 31, 2024 and the above stated Guarantee given by Emcure Pharmaceuticals Limited was released on May 21, 2024.

Note 47 : Indirect Tax refund received

The Holding Company and its subsidiary Zuventus Healthcare Limited (ZHL) is entitled to receive subsidy in the form of Budgetary Support under Goods and Service Tax as per fixed percentage of Central Tax / IGST paid in cash after full utilisation of input tax credit) by its unit at Jammu and Kashmir which is valid till May 2026 and up to February 2027 in case of ZHL. There are no unfulfilled conditions or other contingencies related to the Scheme.

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Note 48 : Earnings per share

Particulars	March 31, 2024	March 31, 2023
Basic earnings per share		
A. Profit attributable to equity shareholders (Rs. million)	4,981.83	5,320.19
B. Weighted average number of equity shares for the year	180,872,608	180,852,116
Basic earnings per share (Rs.) (A/B)	27.54	29.42
Diluted earnings per share		
C. Adjusted net profit for the year (Rs. million) (refer note below)	4,981.83	5,320.19
Weighted average number of equity shares for the year	180,872,608	180,852,116
Add: Effect of employee stock options*	-	-
D. Weighted average number of equity share (diluted) for the year	180,872,608	180,852,116
Adjusted earnings per share (Rs.) (C/D)	27.54	29.42
Face value per share (Rs.)	**10.00**	**10.00**

* The effect of conversion of potential equity share for the year ended March 31, 2024 and March 31, 2023 is excluded, since the impact on earnings per share is anti dilutive.

Note 49 : Segment reporting

Operating segment are components of the Group whose operating results are regularly reviewed by the Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The Holding Company's board of directors along with it's Managing director, examines the Group's performance and have identified single reportable operating segment, viz. 'Pharmaceuticals' for the purpose of making decision on allocation of resources and assessing its performance. Board of directors primarily use revenue as a measure to assess the performance of the operating segment.

The Group is domiciled in India. The amount of its revenue from external customers broken down by destination of shipment of goods is shown in the table below.

Entity – wide disclosures: Rs. in million

Revenue from external customers	March 31, 2024	March 31, 2023
Sales (Net)		
India (A)	32,148.98	31,818.18
Outside India		
Europe	14,235.72	11,873.26
North America	9,279.09	7,294.21
Other continents	10,918.72	8,872.46
Outside India Total (B)	34,433.53	28,039.93
Revenue from operations (A+B)	**66,582.51**	**59,858.11**

The following table shows the distribution of the Group's property, plant and equipment including capital work in progress and Right-of-use assets based on the location of assets:

Rs. in million

Non - Current Assets	March 31, 2024	March 31, 2023
Non Current Assets		
India (A)	23,410.73	22,071.39
Outside India		
North America	359.19	15.75
Other continents	202.15	60.42
Outside India Total (B)	561.34	76.17
Total (A+B)	**23,972.07**	**22,147.56**

Non-current assets other than property, plant and equipment including capital work in progress and Right -of- use assets are used in the group's business across the locations interchangeably and accordingly management is of the view that separate disclosure of for these is not required.

Major Customers:
The Group has no external customer which accounts for more than 10% of the Group's total revenue and receivable for the year ended March 31, 2024 and March 31, 2023.

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Note 50 : Related party disclosure
Related parties with whom there were transactions during the year and nature of relationship

Key Management Personnel: Whole Time Directors
Mr. Satish Mehta (Managing Director and CEO)
Dr. Mukund Gurjar (Executive Director)
Mr. Sunil Mehta (Executive Director)
Mrs. Namita Thapar (Executive Director)
Mr. Samit Mehta (Executive Director w.e.f. July 28, 2022)

Key Management Personnel: Other than Whole Time Directors
Mr. S.K. Bapat (Independent Director upto July 27, 2022)
Mr. Berjis Desai (Chairman and Independent Director upto July 27, 2022) (Chairman and Non Executive Director w.e.f. July 28, 2022)
Mr. Samonnoi Banerjee (Nominee of BC capital Investment IV Ltd) (Director)
Mr. P. S. Jaykumar (Independent Director)
Mr. Tajuddin Shaikh (Chief Financial Officer)
Dr. Vidya Rajiv Yeravdekar (Independent Director)
Dr. Shailesh Kripalu Ayyangar (Independent Director w.e.f. June 2, 2023)
Mr. Vijay Keshav Gokhale (Independent Director)
Mr. Hitesh Jain (Independent Director upto July 04, 2022)

Key Management Personnel: Relatives
Mr. Sanjay Mehta
Mr. Vikas Thapar
Mr. Rutav Mehta
Mr. Niraj Mehta
Mrs. Bhavna Mehta
Mrs. Surekha Shah
Mrs. Shaila Gurjar
Mrs. Suhasinee Shah
Mrs. Kamini Mehta
Mrs. Pushpa Mehta
Mrs. Swati Shah
Mrs. Smita Paresh Shah

Enterprise over which Key Management Personnel have control:
H.M. Sales Corporation
Uth Beverages Factory Pvt. Ltd.
Parinam Law Associates (upto July 04, 2022)
Brandbucket Enterprises Private Limited
Incredible Ventures Pvt Ltd.
Avet Lifesciences Private Limited (formerly known as Avet Lifesciences Limited)
Heritage Pharma Holdings Inc. (doing business as Avet Pharmaceuticals Holdings Inc.) (Subsidiary of Avet Lifesciences Private Limited
Heritage Pharmaceuticals Inc. (doing business as Avet Pharmaceuticals Inc.) (Subsidiary of Heritage Pharma Holdings Inc.)
Heritage Pharma Labs Inc. (doing business as Avet Pharmaceuticals Labs Inc.) (Subsidiary of Heritage Pharma Holdings Inc.)
AvetAPI Inc (erstwhile Hacco Pharma Inc.) (Subsidiary of Heritage Pharma Holdings Inc.)

EMCURE PHARMACEUTICALS LTD. ★ PUNE ★

EMCURE PHARMACEUTICALS LIMITED
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

Note 50 : Related party disclosure (continued)
Summary of transactions/ balances with related parties are as follows:

Rs. in million

Sr. No.	Description of the nature of the transaction	Volume of transactions during year ended		Amount outstanding as at			
				March 31, 2024		March 31, 2023	
		31-Mar-24	31-Mar-23	Receivable	Payable	Receivable	Payable
(A)	Transactions/ balances with related parties (other than KMP) are as follows:						
1	**Sale of assets**						
	Avet Lifesciences Private Limited	0.29	-	0.34	-	-	-
2	**Purchase of goods & services**						
	Parinam Law Associates	-	13.70	-	-	-	-
	Brandbucket Enterprises Private Limited	2.36	1.56	-	-	-	0.28
	Uth Beverage Factory Pvt. Ltd.	1.15	-	-	-	-	-
	Avet Lifesciences Private Limited	-	5.92	-	-	-	3.12
	Heritage Pharmaceuticals Inc.	-	79.65	-	-	-	-
	Heritage Pharma Labs Inc.	39.13	-	-	-	-	-
3	**Investment in Non-convertible debentures**						
	Avet Lifesciences Private Limited	2,500.00	-	2,500.00	-	-	-
4	**Interest on Debentures**						
	Avet Lifesciences Private Limited	115.93	-	104.34	-	-	-
5	**Sale /(Return) of goods and services**						
	Uth Beverage Factory Pvt. Ltd.	23.87	2.64	18.33	-	1.89	-
	H.M. Sales Corporation	48.00	9.10	38.39	-	9.74	-
	Heritage Pharma Labs Inc.	252.04	347.02	225.85	-	131.04	-
	Heritage Pharmaceuticals Inc.	75.96	6.88	69.57	-	10.18	-
	AvetAPI Inc	-	7.29	8.28	-	8.16	-
	Avet Lifesciences Private Limited	1,514.09	1,446.34	1,741.41	-	1,628.71	-
6	**Interest expense**						
	H.M. Sales Corporation	0.75	0.75	-	0.17	-	0.17
7	**Trade/Security deposits accepted**						
	H.M. Sales Corporation	-	-	-	10.00	-	10.00
	Avet Lifesciences Private Limited	-	0.15	-	-	-	-
8	**Commission expense**						
	H.M. Sales Corporation	50.00	47.99	-	12.12	-	11.18
9	**Reimbursement of expenses made**						
	Uth Beverage Factory Pvt. Ltd.	0.13	-	-	-	-	-
	H.M. Sales Corporation	1.49	1.09	-	0.16	-	0.16
	Heritage Pharmaceuticals Inc.	0.62	3.63	-	70.20	-	68.64
	Heritage Pharma Labs Inc.	0.31	5.64	-	5.44	-	5.05
10	**Royalty expense**						
	Uth Beverage Factory Pvt. Ltd.	0.78	0.81	-	0.17	-	0.15
11	**Reimbursement of expenses received**						
	Heritage Pharma Holdings Inc.	-	-	-	-		
	Heritage Pharma Labs Inc.	-	-	-	-		
	Heritage Pharmaceuticals Inc.	12.05	3.13	13.04	-	3.37	-
	Avet Lifesciences Private Limited	27.37	38.24	41.99	-	51.79	-
12	**Financial guarantee fees charged**						
	Avet Lifesciences Private Limited	53.96	52.24	68.20	-	61.65	-
	Heritage Pharma Holdings Inc.	-	-	15.89	-	15.65	-
13	**Rent Income**						
	Avet Lifesciences Private Limited	-	0.35	-	-	0.44	-
	Incredible Ventures Pvt Ltd.	0.01	0.02	-	-	-	-

EMCURE PHARMACEUTICALS LTD.
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Note 50 : Related party disclosure (continued)

Rs. in million

Sr. No.	Description of the nature of the transaction	Volume of transactions during year ended		Amount outstanding as at			
				March 31, 2024		March 31, 2023	
		31-Mar-24	31-Mar-23	Receivable	Payable	Receivable	Payable
(B)	Transactions/ balances with related parties (KMP) are as follows:						
1	Remuneration paid						
	Key management personnel: whole time directors						
	Mr. Satish Mehta	229.59	215.43	-	30.74	-	30.63
	Dr. Mukund Gurjar	57.70	53.69	-	13.17	-	12.08
	Mr. Sunil Mehta	34.45	31.75	-	4.09	-	3.64
	Mrs. Namita Thapar	43.99	40.52	-	5.27	-	4.68
	Mr. Samit Mehta	43.85	40.44	-	5.22	-	4.64
	Key management personnel: relatives						
	Mr. Vikas Thapar	45.86	42.28	-	5.27	-	4.71
	Mr. Sanjay Mehta	35.25	32.52	-	4.18	-	3.56
	Mr. Rutav Mehta	4.12	2.63	-	0.41	-	0.19
	Key management personnel: other than whole time directors						
	Mr. Tajuddin Shaikh	16.25	14.10	-	4.32	-	3.64
2	Post-employment obligations						
	Key management personnel: whole time directors						
	Mrs. Namita Thapar	1.97	1.27	-	15.33	-	13.36
	Mr. Samit Mehta	2.86	1.48	-	20.46	-	17.60
	Key management personnel: relatives						
	Mr. Vikas Thapar	1.94	1.30		15.22		13.28
	Mr. Sanjay Mehta	-	5.59	-	-	-	-
	Mr. Rutav Mehta	0.09	-	-	0.09	-	-
	Key management personnel: other than whole time directors						
	Mr. Tajuddin Shaikh	0.92	0.49	-	5.52	-	4.60
3	Compensated absences						
	Key management personnel: whole time directors						
	Mr. Satish Mehta	1.71	2.29	-	23.02	-	21.31
	Dr. Mukund Gurjar	0.35	0.44	-	5.23	-	4.88
	Mr. Sunil Mehta	0.26	0.30	-	3.59	-	3.33
	Mrs. Namita Thapar	0.19	0.22	-	4.98	-	4.79
	Mr. Samit Mehta	0.34	0.24	-	5.47	-	5.13
	Key management personnel: relatives						
	Mr. Vikas Thapar	0.17	0.21	-	4.89	-	4.72
	Mr. Sanjay Mehta	0.27	0.65	-	3.60	-	3.33
	Mr. Rutav Mehta	0.18	-	-	0.18	-	-
	Key management personnel: other than whole time directors						
	Mr. Tajuddin Shaikh	0.13	0.63	-	1.54	-	1.41
4	Employee share based payments						
	Key management personnel: relatives						
	Mr. Vikas Thapar	202.36	0.23	-	-	-	38.11
	Key management personnel: other than whole time directors						
	Mr. Tajuddin Shaikh	0.29	0.62	-	7.97	-	7.68
5	Employee share based payments - Perquisite on share options exercised						
	Key Management Personnel: Relatives						
	Mr. Vikas Thapar	262.02	-	-	-	-	-
6	Dividend Paid						
	Key management personnel: whole time directors	322.52	215.43	-	-	-	-
	Key management personnel: relatives	122.81	81.95	-	-	-	-
	Key Management Personnel: Other than Whole Time Directors	1.65	1.10	-	-	-	-
7	Commission - Other than Whole Time Directors						
	Mr. Berjis Desai	10.00	5.00	-	10.00	-	5.00
	Mr. P. S. Jaykumar	2.60	3.60	-	2.60	-	3.60
	Mr. Hitesh Jain	-		-	-	-	-
	Dr. Vidya Rajiv Yeravdekar	1.50	1.50	-	1.50	-	1.50
	Mr. Vijay Keshav Gokhale	2.50	2.00	-	2.50	-	2.00
	Dr. Shailesh Kripalu Ayyangar	12.00	12.00	-	12.00	-	12.00

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Note 50 : Related party disclosure (continued)

Rs. in million

Sr. No.	Description of the nature of the transaction	Volume of transactions during year ended		Amount outstanding as at			
				March 31, 2024		March 31, 2023	
		31-Mar-24	31-Mar-23	Receivable	Payable	Receivable	Payable
8	**Sitting fees - Other than Whole Time Directors**						
	Key management personnel: other than whole time directors						
	Mr. S.K. Bapat	-	0.47	-	-	-	-
	Mr. Berjis Desai	0.60	0.44	-	-	-	-
	Mr. Samonnoi Banerjee	0.52	0.32	-	-	-	-
	Mr. P. S. Jaykumar	0.64	0.52	-	-	-	-
	Mr Shailesh Ayyangar	0.60	0.44	-	-	-	-
	Mr.Vijay keshav Gokhale	1.12	0.61	-	-	-	-
	Ms.Vidya Rajiv Yeravdekar	0.28	0.12	-	-	-	-
	Ms.Hitesh Jain	-	0.55	-	-	-	-
9	**Rent expense**						
	Key management personnel: whole time directors						
	Mr. Sunil Mehta	0.48	0.39	-	-	-	-
	Key management personnel: relatives						
	Mr. Sanjay Mehta	0.48	0.39	-	-	-	-
	Mrs. Bhavna Mehta	0.37	0.27	-	-	-	-
10	**Reimbursement of IPO expenses received**						
	Key Management Personnel: Whole Time Directors	-	9.21	-	-	-	-
	Key Management Personnel: Other than Whole Time Directors	-	1.90	-	-	-	-
	Key management personnel: Relatives	-	18.21	-	-	-	-

Notes:

1) All related party transactions entered during the year and outstanding balances were in ordinary course of the business and are on an arm's length basis. Outstanding balances are unsecured and to be settled in cash.

2) During the year ended March 31, 2024, Zuventus Healthcare Limited (subsidiary of the Holding Company) has subscribed to Redeemable Non-convertible debentures (NCD's) of Avet Lifesciences Private Limited ("Avet") of Rs. 2,500.00 million. The rate of interest of these debentures is Modified Mumbai Inter-bank forward offer rate (MIFOR) plus spread of 415.3 bps. The NCD's are repayable over a period of 5 years from date of allotment. However, basis memorandum of understanding entered on March 31, 2024, both the parties have agreed to redeem these debentures before March 31, 2025. As on March 31, 2024 outstanding amount of NCD's and interest thereon is Rs. 2,604.35 million. The interest rate was higher than the prevailing yield of Government Security closest to the tenor of the loan. Proceeds from NCD's will be utilised for general business purpose by Avet.

EMCURE PHARMACEUTICALS LTD. ★ PUNE ★

EMCURE PHARMACEUTICALS LIMITED
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

Note 51 : Post-Employment Benefits

a) *Defined contribution plans*

The Group has certain defined contribution plans. Contributions are made as per local regulations. The contributions are made to registered provident/other fund administered by the government. The obligation of the holding company and two of its Indian subsidiaries are limited to the amount contributed and it has no further contractual nor any constructive obligation.

Contributions are made to employees family pension fund in India for employees as per local regulations. The contributions are made to provident fund administered by the government. The obligation of the holding company and two of its indian subsidiaries are limited to the amount contributed and it has no further contractual nor any constructive obligation.

Defined contribution plans: The group has recognised the following amount in the Statement of Profit and Loss for the year

Rs. in million

Particulars	March 31, 2024	March 31, 2023
i) Contribution to employees provident fund	343.63	298.29
ii) Contribution to employees family pension fund	149.91	136.59
iii) Contribution to Canada pension plan	9.69	8.00
iv) Contribution to defined contribution plan (401K)	74.16	57.01
v) Other defined Contribution plans	160.10	143.50
Total	737.49	643.39

b) *Post-employment obligations*

Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees of Holding Company and subsidiaries located in India who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Group makes contributions to recognised funds in India. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

c) *Defined benefit plans*

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Rs. in million

Particulars	Present Value of Obligation	Fair Value of Plan assets	Total
As at April 1, 2023	1,134.35	(950.95)	183.40
Current service cost	167.96	-	167.96
Interest expenses/(income)	79.04	(71.07)	7.97
Others			-
Mortality charges and taxes	-	4.27	4.27
Impact of Transfer (in) / out	(0.61)	(0.21)	(0.82)
Total amount recognised in statement of profit and loss	241.39	(67.01)	174.38
Remeasurement of:			
- Return on plan assets, excluding amounts included in interest expense/(income)			
Actuarial (gain)/ losses - experience	-	22.13	22.13
Actuarial (gain)/ losses - financial assumptions	-	(11.25)	(11.25)
- Defined benefit obligations			
Actuarial (gain)/ losses - experience	(0.68)	-	(0.68)
Actuarial (gain)/ losses - demographic changes	5.23	-	5.23
Actuarial (gain)/ losses - financial assumptions	7.02	-	7.02
Total amount recognised in other comprehensive income	11.57	10.88	22.45
Employer contribution	-	(146.93)	(146.93)
Benefit payments	(108.90)	108.90	-
As at March 31, 2024	1,278.41	(1,045.11)	233.30

EMCURE PHARMACEUTICALS LTD. ★ PUNE ★

Note 51 : Post-Employment Benefits (continued)

Rs. in million

Particulars	Present Value of Obligation	Fair Value of Plan assets	Total
As at April 1, 2022	1,080.09	(834.80)	245.29
Current service cost	174.12	-	174.12
Interest expenses/(income)	62.86	(53.30)	9.56
Mortality charges and taxes	-	6.84	6.84
Transfer In/(Out)	(1.80)	(0.59)	(2.39)
Total amount recognised in statement of profit and loss	235.18	(47.05)	188.13
Remeasurement of:			
- Return on plan assets, excluding amounts included in interest expense/(income)			
Actuarial (gain)/ losses - experience	-	(1.76)	(1.76)
Actuarial (gain)/ losses - financial assumptions	-	(4.71)	(4.71)
- Defined benefit obligations			
Actuarial (gain)/ losses - experience	(9.87)	-	(9.87)
Actuarial (gain)/ losses - demographic changes	(6.61)	-	(6.61)
Actuarial (gain)/ losses - financial assumptions	(51.57)	-	(51.57)
Total amount recognised in other comprehensive income	(68.05)	(6.47)	(74.52)
Employer contribution	-	(175.50)	(175.50)
Benefit payments	(112.87)	112.87	-
As at March 31, 2023	1,134.35	(950.95)	183.40

d) The net liability disclosed above relates to funded plans are as follows:

Rs. in million

Particulars	March 31, 2024	March 31, 2023
Present value of obligation	1,278.41	1,134.35
Fair value of plan assets	(1,045.11)	(950.95)
Deficit of funded plan	233.30	183.40

The Group has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The Group intends to continue to contribute the defined benefit plans as per the demand from Life Insurance Corporation (LIC) of India.

Significant estimates: actuarial assumptions and sensitivity

Post-employment benefits (gratuity) - The significant actuarial assumptions were as follows:

Particulars	March 31, 2024	March 31, 2023
a) Discount rate	7.2% - 7.2%	7.3% - 7.5%
b) Expected rate of return on plan assets	7.30% - 7.5%	6.0% - 6.9%
c) Salary escalation rate	9.00%	9.00%
d) Withdrawal rate		
Field staff	10.0%-30.0%	15.0%-30.0%
Factory and corporate staff	10.0%-20.0%	10.0%-21.0%
e) Mortality table	IALM(2012-14) ult	IALM(2012-14) ult

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

Normal retirement age is 58 years.

e) **Sensitivity analysis:** The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions

Particulars	Change in assumption		Increase in net liability		Decrease in net liability	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Discount rate	1.00%	1.00%	(49.20)	(42.39)	53.64	46.14
Salary escalation rate	1.00%	1.00%	40.79	34.73	(38.16)	(32.62)
Withdrawal rate	1.00%	1.00%	(4.93)	(3.91)	5.34	4.24

Assumptions regarding future mortality for gratuity benefit is set based on actuarial advice in accordance with published statistics and experience in India.

EMCURE PHARMACEUTICALS LTD. ★ PUNE ★

Note 51 : Post-Employment Benefits (continued)

f) Risk exposure

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed:

i) Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. All assets are maintained with fund managed by LIC of India.

ii) Changes in bond yields: A decrease in bond yields will increase plan liabilities.

iii) Future salary escalation and inflation risk : Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the group is successfully able to neutralize valuation swings caused by interest rate movements. Hence group is encouraged to adopt asset-liability management.

The Group's all assets are maintained in a fund managed by LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years.

g) Defined benefit liability and employer contributions

The Group has agreed that it will aim to eliminate the deficit in gratuity plan over the years. Funding levels are assessed by LIC on annual basis and the Group makes contribution as per the instructions received from LIC. The Group compares the expected contribution to the plan as provided by actuary with the instruction from LIC and assesses whether any additional contribution may be required. The Group considers the future expected contribution will not be significantly increased as compared to actual contribution.

Expected contributions to post-employment benefit plans for the next year are Rs. 233.30 million

The weighted average duration of the defined benefit obligation ranged between 4.30 - 9.61 years (March 31, 2023 - 3.39 -9.82 years). The expected maturity analysis of gratuity is as follows:

Rs. In million

Particulars	Less than 1 year	between 1-2 years	between 2-5 years	over 5 years	Total
As at March 31, 2024 Defined benefit obligation - gratuity	353.59	236.86	618.65	847.92	2,057.02
As at March 31, 2023 Defined benefit obligation - gratuity	294.89	244.49	564.92	727.15	1,831.45

h) Major plan assets

Rs. In million

Particulars	March 31, 2024	March 31, 2023
	Unquoted	Unquoted
Investment funds - Insurance funds (LIC Pension and Group Schemes fund)	1,045.11	950.95
Total	1,045.11	950.95

The category wise details of the plan assets is not available as it is maintained by LIC.

EMCURE PHARMACEUTICALS LTD. ★ PUNE ★

EMCURE PHARMACEUTICALS LIMITED
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

Note 52 : Employees stock option plan

As at March 31, 2024, the Holding company has the following share-based payment arrangement:

Share option plans (equity settled)
"Emcure ESOS 2013": The Board of the directors of the Holding Company ("Board)" vide its resolution granted employee stock options as under to the eligible employees under "Emcure ESOS 2013" in compliance with the provisions of the applicable law and rules framed thereunder.

Resolution date	Tranche No	Grant Date	Exercise Price	Total Options Granted
10-Oct-13	Tranche - 01	01-Oct-13	165.07	2,270,000
14-Mar-16	Tranche - 02	14-Mar-16	452.57	580,000
07-Jul-17	Tranche - 03	07-Jul-17	243.82	100,000
01-Nov-18	Tranche - 04	01-Nov-18	465.82	840,000
01-Dec-18	Tranche - 05	01-Dec-18	465.82	240,000
01-Feb-19	Tranche - 06	01-Feb-19	465.82	230,000
06-Jun-19	Tranche - 07	06-Jun-19	465.82	625,000
08-Nov-19	Tranche - 08	08-Nov-19	523.82	455,000
04-Feb-20	Tranche - 09	04-Feb-20	523.82	70,000
22-Jul-20	Tranche - 10	22-Jul-20	563.82	180,000
09-Nov-20	Tranche - 11	09-Nov-20	563.82	40,000
27-May-21	Tranche - 12	27-May-21	862.07	340,000
22-Feb-22	Tranche - 13	22-Feb-22	1,000.05	110,000
20-Oct-22	Tranche - 14	20-Oct-22	1,008.21	30,000
13-Feb-23	Tranche - 15	13-Feb-23	1,008.21	250,000

The eligible employees, including directors, are determined by the Remuneration Committee from time to time. These options will vest over period of 3 to 5 years from the grant date and are subject to the condition of continued service of the employees.

Once vested the option can be exercised within 5 years from date of Initial Public Offer (IPO). The exercise price of the options is equal to fair market value of the shares as determined by an independent valuer as at grant dates. If IPO does not take place or shares are not listed within 2 years from the date of grant, Remuneration committee at its sole discretion, subject to prior approval of the Holding company's shareholders' can settle the vested options in cash or allow exercise of option before listing at a price arrived at by an independent valuer. Post approval of shareholders, 300,000 options have exercised and 210,000 options have been settled in cash during the year ended March 31, 2024.

Options granted under this scheme carry no dividend or voting rights. When exercised, one option is convertible into one equity share.

Movement of the options granted under the plan is as below:

March 31, 2024	Grant Date	Opening Balance as on Apr 01, 2023	Grant during the year	Cancelled during the year	Exercised during the year	Settled during the year	Closing balance as on March 31, 2024	Exercisable	Exercise Price
Tranche - 01	01-Oct-13	670,000	-	(20,000)	(210,000)	(210,000)	230,000		165.07
Tranche - 02	14-Mar-16	60,000	-	-	-	-	60,000	-	452.57
Tranche - 06	01-Feb-19	30,000	-	-	-	-	30,000	-	465.82
Tranche - 07	06-Jun-19	130,000	-	-	(90,000)	-	40,000	-	465.82
Tranche - 08	08-Nov-19	80,000	-	-	-	-	80,000	-	523.82
Tranche - 09	04-Feb-20	10,000	-	-	-	-	10,000	-	523.82
Tranche - 10	22-Jul-20	95,000	-	-	-	-	95,000	-	563.82
Tranche - 11	09-Nov-20	40,000	-	-	-	-	40,000	-	563.82
Tranche - 12	27-May-21	255,000	-	(20,000)	-	-	235,000	-	862.07
Tranche - 13	22-Feb-22	40,000	-	-	-	-	40,000	-	1,000.05
Tranche - 15	13-Feb-23	250,000	-	(20,000)	-	-	230,000	-	1,008.21
Total/ Weighted average exercise price		1,660,000	-	(60,000)	(300,000)	(210,000)	1,090,000		638.04

March 31, 2023	Grant Date	Opening Balance as on Apr 01, 2022	Grant during the year	Cancelled during the year	Exercised during the year	Settled during the year	Closing balance as on March 31, 2023	Exercisable	Exercise Price
Tranche - 01	01-Oct-13	730,000	-	(60,000)	-	-	670,000	-	165.07
Tranche - 02	14-Mar-16	60,000	-	-	-	-	60,000	-	452.57
Tranche - 06	01-Feb-19	30,000	-	-	-	-	30,000	-	465.82
Tranche - 07	06-Jun-19	130,000	-	-	-	-	130,000	-	465.82
Tranche - 08	08-Nov-19	185,000	-	(105,000)	-	-	80,000	-	523.82
Tranche - 09	04-Feb-20	10,000	-	-	-	-	10,000	-	523.82
Tranche - 10	22-Jul-20	180,000	-	(85,000)	-	-	95,000	-	563.82
Tranche - 11	09-Nov-20	40,000	-	-	-	-	40,000	-	563.82
Tranche - 12	27-May-21	340,000	-	(85,000)	-	-	255,000	-	862.07
Tranche - 13	22-Feb-22	110,000	-	(70,000)	-	-	40,000	-	1,000.05
Tranche - 14	20-Oct-22	-	30,000	(30,000)	-	-	-	-	1,008.21
Tranche - 15	13-Feb-23	-	250,000	-	-	-	250,000	-	1,008.21
Total/ Weighted average exercise price		1,815,000	280,000	(435,000)	-	-	1,660,000		510.50

Weighted average remaining contractual life of options as at year end is 6.29 Years (March 31, 2023 : 6.46 Years)

Fair value of equity settled share based payment arrangements:
No employee stock options were granted during the year ended March 31, 2024.

2,80,000 employee stock options were granted during the year ended March 31, 2023. The fair value as at grant date is determined using the Black Scholes Merton Model which takes into account the exercise price, term of option, share price at grant date, expected price volatility of underlying share, expected dividend yield and risk free interest rate for the term of option.

Particulars	Tranche - 14	Tranche - 15
Options granted	30,000	250,000
Exercise Price Rs.	1,008.21	1,008.21
Share Price at grant date	1,008.21	1,008.21
Date of grant	20-Oct-22	13-Feb-23
Expected price volatility of the Holding company's shares	33.00%	33.00%
Expected dividend yield	1.00%	1.00%
Risk free interest rate	7.26%	7.26%
Expected life of options	3.03	3.03

Volatility is a measure of the movement in the prices of the underlying assets. Since the Holding company is an unlisted Company, volatility of similar listed entities has been considered. Expected volatility has been based on an evaluation of the historical volatility of the similar listed entities (peers) share price, particularly over the historical period commensurate with the expected term. The expected term of the instrument has been based on historical experience and general option holder behaviour.

Expenses recognised in statement of profit and loss:

Rs. in million

Particulars	March 31, 2024	March 31, 2023
Employee share-based payment	39.67	52.76

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Note 53 : Impairment assessment for goodwill

Goodwill is tested for impairment on an annual basis. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to a the Group's Cash Generating Unit (CGU) or groups of CGUs expected to benefit from the synergies arising from the business combinations. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Goodwill acquired through business combinations with indefinite lives has been allocated to the following CGU's:

Rs. in million

Name of the entities	March 31, 2024	March 31, 2023
Goodwill on Consolidation:		
Tillomed Laboratories Limited, UK	212.94	205.06
Emcure Nigeria Limited	-	0.25
Emcure Pharmaceuticals Mena FZ LLC	0.23	0.22
Tillomed GmbH, Germany	37.51	36.12
Sub-total	**250.68**	**241.65**
Goodwill on acquisition		
Marcan Pharmaceuticals Inc.	1,963.79	1,935.72
Mantra Pharma Inc.	1,572.39	-
Sub-Total	**3,536.18**	**1,935.72**
Total	3,786.86	2,177.37

Rs. in million

Goodwill movement	March 31, 2024	March 31, 2023
Opening balance	2,177.37	2,173.95
Add - Goodwill acquired under business combination (Refer note no 63)	1,572.39	
Other adjustments including impact of foreign currency translation	37.18	3.42
Impairment during the year	(0.08)	-
Closing balance	**3,786.86**	**2,177.37**

Impairment occurs when the carrying amount of a CGU, including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of CGU is higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of the future cash flows expected to be derived from the CGU.

The carrying amount was computed by allocating the net assets to the CGU for the purpose of impairment testing.

Value-in-use is calculated using after tax assumptions. The use of after tax assumptions does not result in a value-in-use that is materially different from the value-in-use that would result if the calculation was performed using before tax assumptions.

The average range of key assumptions used for the calculations of value-in-use are as follows:

Particulars	United Kingdom	
	March 31, 2024	March 31, 2023
Long term growth rate	8.96% to 12.43%	-0.8% to 8.46%
Pre-tax discount rate	15.12%	11.21%
EBITDA growth rate	2.04% to 11.05%	-14.84% to 3.04%
Terminal growth rate	1%	1%

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Particulars	Marcan	
	March 31, 2024	March 31, 2023
Long term growth rate	4.6% to 14.53%	4.31% - 14.53%
Pre-tax discount rate	13.09%	11.21%
EBITDA growth rate	2.13% to 25.29%	-1.47% - 26.67%
Terminal growth rate	1%	1%

Particulars	Mantra
	March 31, 2024
Long term growth rate	3.5% to 15.4%
Pre-tax discount rate	15.39%
EBITDA growth rate	3.52% to 22.34%
Terminal growth rate	2%

The discount rate considered is a post-tax measure estimated based on the historical industry average weighted-average cost of capital.

The cash flow projections included specific estimates for four years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Budgeted EBITDA was estimated taking into account past experience, adjusted as follows;
Revenue growth was projected taking into account the average growth levels experienced over the past 2-3 years and the estimated sales volume and price growth for the next four years. It was assumed that the sales price would increase in line with forecast inflation over the next four years.

Based on the above, no impairment was identified as of March 31, 2024 and March 31, 2023 as the recoverable value of the CGUs exceeded the carrying value. The discount rates considered above reflects current market assessments of time value of money and risks specific to these investments. The cash flow projections includes estimates for five years developed using internal forecasts and terminal growth rate thereafter. The planning horizon reflects the assumptions for short to mid-term market developments. Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated on the weighted average cost of capital for respective CGU or group of CGUs.
An analysis of the calculation's sensitivity to a change in the key parameters (revenue growth, operating margin, discount rate and long-term growth rate) based on reasonably probable assumptions, did not identify any probable scenarios where the recoverable amount of the CGU would fall below the respective carrying amounts of non financials assets.

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Note 54 : Revenue from contracts with customer

Rs. in million

Particulars	March 31, 2024	March 31, 2023
Revenue recognised from contracts with customers	65,819.92	59,310.76
Other operating revenue	762.59	547.35
Disaggregation of revenue		
Based on markets		
Within India	32,148.98	31,818.18
Outside India -		
a. Europe	14,235.72	11,873.26
b. North America	9,279.09	7,294.21
c. Other continents	10,918.72	8,872.46
Revenue from operations	**66,582.51**	**59,858.11**
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the year	168.33	153.57

A) There is no significant change in the contract assets and liabilities.

B) The Group satisfies its performance obligations pertaining to the sale of goods at point in time when the control of goods is actually transferred to the customers. No significant judgment is involved in evaluating when a customer obtains control of promised goods. The contract with customers are generally fixed price contract subject to refund due to returns or chargeback claims and do not contain any financing component. The payment is generally due within 7-180 days. The Group is obliged for returns/refunds due to expiry, saleable returns and chargeback claims. There are no other significant obligations attached in the contract with customer.
C) There is no significant judgement involved in ascertaining the timing of satisfaction of performance obligation and in evaluating when a customer obtains control of promised goods. Transaction price ascertained for the performance obligation of the Group is agreed in the contract with the customer, which also include variable consideration.

D) Reconciliation of contract price with revenue recognised in statement of profit and loss:

Rs. in million

Particulars	March 31, 2024	March 31, 2023
Contract price	**72,122.95**	**64,148.31**
Less:		
Professional allowance/ program fees	(5,036.56)	(3,732.75)
Amount recognised as sales returns & breakage expiry	(1,278.70)	(1,119.76)
Allowance for interest loss	12.23	14.96
Revenue recognised in consolidated statement of profit and loss	**65,819.92**	**59,310.76**

Note 55 : Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Rs. in million

Particulars	Note	March 31, 2024	March 31, 2023
Current			
Financial assets			
Cash and cash equivalents	12	600.43	1,859.76
Bank balances other than above	13	634.08	2,048.32
Trade receivables	11	16,226.78	13,357.45
Other financial assets	14	620.35	693.61
Non-financial assets			
Inventories	9	12,534.98	13,450.86
Other current assets	15	2,099.14	2,434.54
Total current assets pledged as security		**32,715.76**	**33,844.54**
Non current			
Financial assets			
Deposits with banks	7	12.91	23.68
Property, plant and equipment, Capital work in progress and Intangibles assets and Intangible assets under development	2A, 2B, 4 & 5	22,867.67	17,366.96
Total non current assets pledged as security		**22,880.58**	**17,390.64**
Total assets pledged as security		**55,596.34**	**51,235.18**

As on March 31, 2024, the holding company has not pledged any of its investments, and as on March 31, 2023 the holding company has pledged investment in equity shares of Emcure Pharma UK Ltd against the short borrowing facility obtained by the subsidiary. At consolidated level these investments are eliminated.

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Note 56 : Additional information required by Schedule III

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rs. In million)	As % of consolidated profit or loss	Amount (Rs. In million)	As % of consolidated other comprehensive income	Amount (Rs. In million)	As % of total comprehensive income	Amount (Rs. In million)
Parent								
Emcure Pharmaceuticals Limited								
March 31, 2024	62.0%	19,350.94	30.5%	1,608.34	-2.7%	(4.15)	29.5%	1,604.19
March 31, 2023	69.5%	18,418.64	28.5%	1,600.62	24.8%	40.62	28.4%	1,641.24
Subsidiaries								
Indian								
Gennova Biopharmaceuticals Limited								
March 31, 2024	7.1%	2,231.01	5.4%	283.66	-0.2%	(0.39)	5.2%	283.27
March 31, 2023	7.3%	1,946.86	4.8%	270.09	0.3%	0.42	4.7%	270.52
Zuventus Healthcare Limited								
March 31, 2024	17.7%	5,537.10	18.8%	994.07	-6.2%	(9.66)	18.1%	984.41
March 31, 2023	18.4%	4,873.69	18.1%	1,018.23	7.1%	11.65	17.8%	1,029.88
Foreign								
Emcure Nigeria Limited								
March 31, 2024	0.0%	7.07	1.9%	101.31	0.0%	-	1.9%	101.31
March 31, 2023	-0.5%	(140.46)	-0.5%	(26.61)	0.0%	-	-0.5%	(26.61)
Emcure Pharmaceuticals Mena FZ LLC.								
March 31, 2024	0.8%	258.17	2.5%	131.41	0.0%	-	2.4%	131.41
March 31, 2023	0.5%	125.37	1.7%	98.28	0.0%	-	1.7%	98.28
Emcure Pharmaceuticals South Africa								
March 31, 2024	0.6%	188.08	0.9%	47.58	0.0%	-	0.9%	47.58
March 31, 2023	0.6%	147.18	0.2%	9.87	0.0%	-	0.2%	9.87
Emcure Brasil Farmaceutica Ltda								
March 31, 2024	-0.6%	(189.10)	-0.1%	(7.05)	0.0%	-	-0.1%	(7.05)
March 31, 2023	-0.7%	(177.80)	-0.6%	(33.45)	0.0%	-	-0.6%	(33.45)
Emcure Pharma UK Ltd								
March 31, 2024	15.3%	4,767.40	27.3%	1,438.44	0.0%	-	26.5%	1,438.44
March 31, 2023	13.3%	3,537.12	0.0%	(0.26)	0.0%	-	0.0%	(0.26)
Tillomed Pharma GmbH								
March 31, 2024	0.8%	243.01	-1.1%	(58.18)	0.0%	-	-1.1%	(58.18)
March 31, 2023	0.8%	209.41	-0.6%	(32.63)	0.0%	-	-0.6%	(32.63)
Tillomed Laboratories Ltd								
March 31, 2024	20.8%	6,481.81	37.3%	1,969.62	0.0%	-	36.3%	1,969.62
March 31, 2023	21.9%	5,797.37	31.1%	1,747.87	0.0%	-	30.2%	1,747.87
Emcure Pharma Peru S.A.C.								
March 31, 2024	0.0%	(7.96)	0.6%	31.72	0.0%	-	0.6%	31.72
March 31, 2023	-0.1%	(39.09)	-0.7%	(37.82)	0.0%	-	-0.7%	(37.82)
Emcure Pharma Mexico S.A. DE C.V.								
March 31, 2024	-0.4%	(118.41)	0.1%	5.24	0.0%	-	0.1%	5.24
March 31, 2023	-0.4%	(112.28)	-0.1%	(6.66)	0.0%	-	-0.1%	(6.66)
Marcan Pharmaceuticals Inc.								
March 31, 2024	8.7%	2,729.34	10.1%	530.68	0.0%	-	9.8%	530.68
March 31, 2023	8.2%	2,159.98	8.3%	467.42	0.0%	-	8.1%	467.42
Emcure Pharmaceuticals Pty Ltd								
March 31, 2024	0.1%	19.17	0.0%	0.28	0.0%	-	0.0%	0.28
March 31, 2023	0.1%	19.06	0.0%	0.68	0.0%	-	0.0%	0.68
Laboratories Tillomed Spain S.L.U.								
March 31, 2024	0.1%	40.41	-0.2%	(9.97)	0.0%	-	-0.2%	(9.97)
March 31, 2023	0.2%	49.95	0.0%	2.47	0.0%	-	0.0%	2.47
Tillomed Italia S.R.L.								
March 31, 2024	0.2%	68.16	-0.8%	(44.70)	0.0%	-	-0.8%	(44.70)
March 31, 2023	0.1%	25.21	-1.9%	(108.83)	0.0%	-	-1.9%	(108.83)

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Note 56 : Additional information required by Schedule III (continued)

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rs. in million)	As % of consolidated profit or loss	Amount (Rs. in million)	As % of consolidated other comprehensive Income	Amount (Rs. in million)	As % of total comprehensive Income	Amount (Rs. in million)
Tillomed France SAS								
March 31, 2024	0.3%	105.86	0.5%	24.29	0.0%	-	0.4%	24.29
March 31, 2023	0.3%	80.80	0.3%	18.31	0.0%	-	0.3%	18.31
Tillomed Laboratories BV - 3								
March 31, 2024	0.0%	-	0.0%	-	0.0%	-	0.0%	-
March 31, 2023	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Emcure Pharma Chile SpA								
March 31, 2024	0.0%	14.25	-0.5%	(25.90)	0.0%	-	-0.5%	(25.90)
March 31, 2023	0.2%	45.05	0.0%	1.24	0.0%	-	0.0%	1.24
Lazor Pharmaceuticals Limited								
March 31, 2024	0.2%	58.18	0.2%	12.40	0.0%	-	0.2%	12.40
March 31, 2023	0.2%	43.87	-0.2%	(13.79)	0.0%	-	-0.2%	(13.79)
Emcure Pharma Philippines Inc								
March 31, 2024	0.0%	12.87	0.0%	(1.83)	0.0%	-	0.0%	(1.83)
March 31, 2023	0.1%	14.98	0.0%	0.24	0.0%	-	0.0%	0.24
Tillomed d.o.o - 2								
March 31, 2024	0.0%	-	0.0%	-	0.0%	-	0.0%	-
March 31, 2023	0.0%	1.91	0.0%	(0.27)	0.0%	-	0.0%	(0.27)
Emcure Pharma Panama Inc - 5								
March 31, 2024	0.0%	-	0.0%	-	0.0%	-	0.0%	-
March 31, 2023	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Tillomed Malta Ltd. - 4								
March 31, 2024	0.2%	57.78	0.2%	12.65	0.0%	-	0.2%	12.65
March 31, 2023	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Mantra Pharma Inc. - 6								
March 31, 2024	0.1%	23.37	0.4%	23.29	0.0%	-	0.4%	23.29
March 31, 2023	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Emcure Pharmaceuticals Dominicana, S.A.S - 7								
March 31, 2024	0.0%	-	0.0%	-	0.0%	-	0.0%	-
March 31, 2023	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Non controlling Interest in all subsidiaries								
March 31, 2024	5.4%	1,694.82	5.6%	293.94	-1.6%	(2.53)	5.4%	291.41
March 31, 2023	5.6%	1,485.34	5.3%	298.26	1.9%	3.05	5.2%	301.31
Elimination/adjustment for consolidation at group level								
March 31, 2024	-39.6%	(12,355.68)	-39.5%	(2,085.54)	110.7%	173.01	-35.2%	(1,912.53)
March 31, 2023	-45.3%	(12,015.56)	6.1%	345.18	66.0%	108.32	7.8%	453.50
Total								
March 31, 2024	100.0%	31,217.65	100.0%	5,275.75	100.0%	156.28	99.0%	5,432.03
March 31, 2023	100.0%	26,496.60	100.0%	5,618.45	100.0%	164.06	100.0%	5,782.51

1. Direct subsidiaries / Step down subsidiaries till March 31, 2024 (refer note 57)
2. Tillomed d.o.o., subsidiary of Emcure Pharma UK Ltd was incorporated on August 26, 2021 and dissolved w.e.f. February 16, 2024.
3. Tillomed Laboratories BV., subsidiary of Emcure Pharma UK Ltd., dissolved on March 29, 2023
4. Tillomed Malta Ltd, subsidiary of Emcure Pharma UK Ltd was incorporated on June 06, 2022
5. Emcure Pharma Panama Inc was incorporated on December 01, 2022 and was dissolved on October 03, 2023
6. Mantra Pharma Inc., direct subsidiary of Marcan Pharmaceuticals Inc Canada was acquired on November 05, 2023
7. Emcure Pharmaceuticals Dominicana, S.A.S, a direct subsidiary of the Holding company was incorporated on November 15, 2023.

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Note 57 : Interest in other entities

a) Subsidiaries :

The group's subsidiaries at March 31, 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

All the subsidiaries of the Holding company are engaged in principal business of developing, manufacturing and trading of pharmaceutical products.

Sr No	Name of subsidiary company	Country of Incorporation	Ownership interest held by the group		Ownership interest held by non controlling interests	
			March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	Direct Subsidiaries:					
1	Gennova Biopharmaceuticals Limited	India	87.95%	87.95%	12.05%	12.05%
2	Zuventus Healthcare Limited	India	79.58%	79.58%	20.42%	20.42%
3	Emcure Nigeria Limited	Nigeria	100%	100%	-	-
4	Emcure Pharmaceuticals Mena FZ LLC.	UAE	100%	100%	-	-
5	Emcure Pharmaceuticals South Africa (Pty)	South Africa	100%	100%	-	-
6	Emcure Brasil Farmaceutica Ltda	Brazil	100%	100%	-	-
7	Emcure Pharma UK Ltd	United Kingdom	100%	100%	-	-
8	Emcure Pharma Peru S.A.C.	Peru	100%	100%	-	-
9	Emcure Pharma Mexico S.A. DE C.V.	Mexico	100%	100%	-	-
10	Emcure Pharmaceuticals Pty Ltd	Australia	100%	100%	-	-
11	Marcan Pharmaceuticals Inc.	Canada	100%	100%	-	-
12	Emcure Pharma Chile SpA	Chile	100%	100%	-	-
13	Lazor Pharmaceuticals Limited	Kenya	100%	100%	-	-
14	Emcure Pharma Philippines Inc	Philippines	100%	100%	-	-
15	Emcure Pharma Panama, Inc - 2	Panama	100%	100%	-	-
16	Emcure Pharmaceuticals Dominicana, S.A.S - 6	Dominican Republic	100%	100%	-	-
	Indirect Subsidiaries:					
17	Tillomed Laboratories Ltd.	United Kingdom	100%	100%	-	-
18	Tillomed Pharma GmbH	Germany	100%	100%	-	-
19	Laboratories Tillomed Spain S.L.U.	Spain	100%	100%	-	-
20	Tillomed Italia S.R.L.	Italy	100%	100%	-	-
21	Tillomed France SAS	France	100%	100%	-	-
22	Tillomed Laboratories BV -1	Netherlands	100%	100%	-	-
23	Tillomed Malta Ltd. - 4	Malta	100%	100%	-	-
24	Tillomed d.o.o. -3	Croatia	100%	100%	-	-
25	Mantra Pharma Inc.-5	Canada	100%	100%	-	-

1. Tillomed Laboratories BV ., A direct subsidiary of Emcure UK., dissolved on March 29, 2023
2. Emcure Pharma Panama was incorporated on December 01, 2022 and has been dissolved w.e.f. October 3, 2023
3. Tillomed d.o.o., A direct subsidiary of Emcure Pharma UK Ltd was incorporated on August 26, 2021 and has been dissolved w.e.f. February 16, 2024.
4. Tillomed Malta., A direct subsidiary of Emcure Pharma UK Ltd was incorporated on June 06, 2022.
5. Mantra Pharma Inc., a direct subsidiary of Marcan Pharmaceuticals Inc was acquired on November 05, 2023.
6. Emcure Pharmaceuticals Dominicana, S.A.S, a direct subsidiary of the Holding company was incorporated on November 15, 2023.

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b) Non controlling interests :

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Rs. in million

Summarized Balance Sheet	Gennova Biopharmaceuticals Limited		Zuventus Healthcare Limited		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Ownership interest held by non controlling interests	12.05%	12.05%	20.42%	20.42%		
Current assets	2,763.74	2,921.29	6,537.88	5,229.52	9,301.62	8,150.81
Current liabilities	2,727.15	3,243.54	2,059.78	1,967.40	4,786.93	5,210.94
Net current assets /(liabilities)	**36.59**	**(322.25)**	**4,478.10**	**3,262.12**	**4,514.69**	**2,939.87**
Non-current assets	3,099.94	3,434.11	3,029.39	3,382.98	6,129.33	6,817.09
Non-current liabilities	631.51	929.82	549.58	521.24	1,181.09	1,451.06
Net non-current assets /(liabilities)	**2,468.43**	**2,504.29**	**2,479.81**	**2,861.74**	**4,948.24**	**5,366.03**
Net assets	**2,505.02**	**2,182.04**	**6,957.91**	**6,123.86**	**9,462.93**	**8,305.90**
Accumulated NCI	274.01	235.21	1,420.81	1,250.13	1,694.82	1,485.34

Rs. in million

Summarized statement of profit and loss	Gennova Biopharmaceuticals Limited		Zuventus Healthcare Limited		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Revenue	4,220.82	3,730.15	10,504.17	9,971.94	14,724.99	13,702.09
Profit for the year	322.52	307.10	1,249.14	1,279.50	1,571.66	1,586.60
Other comprehensive income	(0.44)	0.48	(12.14)	14.64	-12.58	15.12
Total comprehensive income	**322.08**	**307.58**	**1,237.00**	**1,294.14**	**1,559.08**	**1,601.72**
Total comprehensive income allocated to NCI	38.80	37.05	252.59	264.26	291.39	301.31
Dividends paid to NCI	-	-	81.91	81.91	81.91	81.91

Rs. in million

Summarized cash flow	Gennova Biopharmaceuticals Limited		Zuventus Healthcare Limited		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Cash flows from operating activities	717.81	441.85	1,359.95	1,581.57	2,077.76	2,023.42
Cash flows from investing activities	(131.94)	(906.59)	(1,077.39)	(893.04)	(1,209.33)	(1,799.63)
Cash flows from financing activities	-	(120.99)	(500.40)	(492.14)	(500.40)	(613.13)
Net increase/(decrease) in cash & cash equivalents	**585.87**	**(585.73)**	**(217.84)**	**196.39**	**368.03**	**(389.34)**

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EMCURE PHARMACEUTICALS LIMITED
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

Note 58 : Expenditure on research and development during the year

The total expenditure incurred on Research and Development including in house Research and Development during the year is as follows;

Rs. in million

Particulars	March 31, 2024	March 31, 2023
Revenue	2,909.13	2,775.99
Capital	190.76	246.06
Total	3,099.89	3,022.05
R&D expenditure as a % of revenue from operations	4.66%	5.05%

Note 59 : Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a corporate social responsibility (CSR) committee has been formed by the holding company and its Indian subsidiaries. The areas for CSR activities are promoting education, healthcare and ensuring environmental sustainability. Amount spent during the year on activities which are specified in Schedule VII of the Companies Act 2013 are as mentioned below :

Rs. in million

Particulars	March 31, 2024	March 31, 2023
(a) amount required to be spent by the group for the full year		
Total amount required to be spent by the group	141.53	136.18
Less: Utilisation of excess balance relating to earlier years approved by Board	15.57	-
Net amount required to be spent by the group	125.96	136.18
(b) amount of expenditure incurred till date,		
Paid		
Construction/acquisition of any asset	-	-
On purposes other than (i) above	135.79	145.44
Yet to be paid		
Construction/acquisition of any asset	-	-
On purposes other than (i) above		
Total (b)	**135.79**	**145.44**
(c) shortfall at the end of the year	-	-
(d) total of previous years shortfall (Cummulative)	-	-
(e) reason for shortfall	Not Applicable	Not Applicable
(f) nature of CSR activities	Promoting Healthcare, Education, Rural development projects, Environment Sustainability & Training to promote rural and/or nationally recognised sports	Promoting Healthcare, Education, Rural development projects, Environment Sustainability & Training to promote rural and/or nationally recognised sports
(g) Movement in provision with respect to a liability incurred by entering into a contractual obligation		
Opening provision	-	1.63
Add: Provision during the year	-	-
Less: Utilisation during the year	-	(1.63)
Closing provision	-	-
(h) Movement in excess CSR spent balance relating to earlier years		
Opening balance	16.01	6.64
Add: Excess spent in current year	9.85	9.37
Less: Utilisation of balance during the current year	(15.57)	-
Less: Balance lapsed during the year	(0.09)	-
Closing balance	10.20	16.01

Note 60 : The information regarding Micro Enterprises and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED, Act 2006) is as below.

Rs. in million

Particulars	March 31, 2024	March 31, 2023
i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
a. Principal outstanding and not overdue as per MSME act	168.89	190.43
b. Principal outstanding and overdue as per MSME act and interest due thereon	-	-
ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	88.30	126.62
iii) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.21	0.10
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

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EMCURE PHARMACEUTICALS LIMITED
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Note 61 : Government Grant

A) Government grants are related to exemption of basic customs duty on purchase of imported machineries to be used for the manufacturing of products. Gennova Biopharmaceuticals Limited, a subsidiary of the Holding company is required to fulfil the export obligation against duty benefit received. Refer Note 46B for the details of unfulfilled obligations. Based on past experience, the management is confident that it will fulfil conditions attached to the grant received. Gennova Biopharmaceuitcals Limited has fulfilled the export obligation and recognised income during the year ended as given below;

Rs. in million

EPCG Grants	March 31, 2024	March 31, 2023
Balance at beginning of the year - deferred grant	48.27	43.97
Duty saved during the year	10.79	34.00
Released to the statement of profit and loss	(11.05)	(29.70)
Balance at end of the year	48.01	48.27
Current Liability	-	-
Non-current Liability	48.01	48.27

B) Gennova Biopharmaceuticals Limited has received sanction for various Government grants towards research and development expenses for life saving drugs and vaccines. During the year, below grant amount has been recognised as an other operating income in statement of Profit & Loss for the eligible expenses incurred towards respective projects;

Rs. in million

Government grants receivable	March 31, 2024	March 31, 2023
Balance at beginning of the year	150.85	80.92
Received during the year	(382.76)	(13.44)
Recognised in statement of profit and loss	299.38	83.37
Balance at end of the year	**67.47**	**150.85**
Current Asset	67.47	150.85
Non-current Asset	-	-

Such government grant accrued balance has been presented under 'other current financial assets'.

C) Gennova Biopharmaceuticals Limited has also received certain grants for which eligible expenses will be incurred in the next year, accordingly it has been disclosed as Deferred Revenue grants under other current liabilities. Information of such grants is as below;

Rs. in million

Deferred revenue grants	March 31, 2024	March 31, 2023
Balance at beginning of the year	10.32	117.82
Received during the year	-	-
Recognised in the statement of profit and loss	-	(107.50)
Balance at end of the year	**10.32**	**10.32**
Current Liability	10.32	10.32
Non-current Liability	-	-

D) Gennova Biopharmaceuticals Limited has also received government grants disclosed under other non-current liabilities to incur capital expenditure for building manufacturing facility. The Subsidiary will offset these grants at the time of incurring capital expenditures for the eligible manufacturing facility.

Rs. in million

Deferred capital grant-Gennova Biopharmaceuticals Limited	March 31, 2024	March 31, 2023
Balance at beginning of the year	114.04	114.04
Received during the year	-	-
Eligible capital expenditure incurred during the year	-	-
Balance at end of the year	**114.04**	**114.04**
Current Liability	-	-
Non-current Liability	114.04	114.04

E) The Group is eligibile to claim benefit under Production Linked Incentive scheme of the Government of India. The Group has recognized income under the said scheme. Balance receivable under this scheme is disclosed under 'other current financial assets '. There are no unfulfilled conditions or other contingencies attached to this grant. Information of income recognised and balance receivable is as below;

Rs. in million

Production Linked Incentive scheme	March 31, 2024	March 31, 2023
Balance at beginning of the year	128.10	-
Received during the year	(122.50)	(66.90)
Recognised in the statement of profit and loss	279.40	195.00
Balance at end of the year	**285.00**	**128.10**
Current Asset	285.00	128.10
Non-current Asset	-	-

EMCURE PHARMACEUTICALS LTD. ★ PUNE ★

Note 62 : Additional regulatory information required by Schedule III (to the extent applicable to group entities)

i. No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii. The Group has not been declared willful defaulter by any bank or financial institution or government or any government authority.

iii. The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

iv. The Group has complied with the number of layers prescribed under the Companies Act, 2013.

v. The Group has not entered into any scheme of arrangement which has an accounting impact on current financial year.

vi. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

vii. The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

viii. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

x. The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

xi. The title deeds of all the immovable properties (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 2A to the financial statements, are held in the name of the Group.

xii. There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

xiii. The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were was taken.

EMCURE PHARMACEUTICALS LTD. ★ PUNE ★

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For the year ended March 31, 2024

Note 63 : Business Combination

Marcan Pharmaceuticals Inc. ("Marcan") acquired 100% shares of 9501-2969 Québec Inc (hereinafter referred to as "Québec Inc.") for cash consideration of CAD 100 on October 16, 2023.

On November 06, 2023, Québec Inc. acquired entities namely (i) Holding JFL Inc., Gestion Nirdac Inc., Gestion Stéphane Turcotte Inc., Gestion Beflan Inc., Gestion Éléoraph Inc. (collectively 'Mantra Holdcos') (ii) Mantra Pharma Inc. ('Mantra') (iii) Mantra Distribution Inc. (Subsidiary of Mantra Pharma Inc.) and (iv) Myriad Pharma Inc. ('Myriad') (hereinafter referred to as "Acquired entities") pursuant to share purchase agreement dated November 06, 2023.

On November 06, 2023, Quebec Inc. amalgamated with the above-mentioned Acquired entities such that the resulting amalgamated entity was Mantra Pharma Inc. As a result of the above-mentioned transaction Mantra Pharma Inc became a wholly-owned subsidiary of the Marcan on November 06, 2023.

This acquisition included the purchase of 100% of issued and outstanding shares of Mantra group for upfront cash consideration plus additional consideration payable to the selling shareholders of Mantra in the form of preference shares, based on achievement of specific EBITDA levels of Mantra for the year ended March 31, 2026, or at the option of selling shareholders for the year ended March 31, 2027.

Details of the purchase consideration, the net assets acquired, assets and liabilities recognised as a result of the acquisition are as follows:

Net assets acquired (at fair value)	CAD million	Rs. million
Property, plant and equipment	1.18	71.90
Customer relationships	59.13	3,597.99
Brand name	3.43	208.94
Licenses	5.15	313.60
Other intangible assets	0.24	14.47
Cash and cash equivalents	0.37	22.34
Trade and other receivables	10.27	625.08
Inventories	18.95	1,153.12
Other current assets	1.40	85.16
Trade payable and other liabilities	(13.83)	(841.77)
Deferred tax liabilities (net)	(17.29)	(1,052.20)
Total net identifiable assets acquired (A)	**68.99**	**4,198.63**
Cash consideration paid	57.08	3,473.07
Deferred consideration	24.00	1,460.30
Deferred contingent consideration	13.46	818.74
Total Consideration (B)	**94.54**	**5,752.11**
Goodwill C = (B-A)	**25.54**	**1,553.48**

The goodwill is attributable to the workforce and the high profitability of the acquired business. In the event that certain pre-determined EBITDA levels are achieved by Mantra, additional consideration of upto CAD 44.22 million may be payable in cash in 2026-27. The fair value of the deferred consideration of CAD 37.46 million was estimated by calculating the present value of the future expected cash flows. The estimates are based on a discount rate of 5.40% and assumed probability-adjusted EBITDA of the acquired entities.

Pursuant to the above transaction Emcure Pharmaceuticals Limited ("Holding Company") guarantees the erstwhile shareholders of the Acquired entities in respect of the Marcan's obligations due in the fiscal year 2026-2027 for Mantra Pharma Inc's earn out payment obligations.

Revenue and profit contribution

The acquired business contributed total revenue of Rs. 1,736.90 million and profit before tax of Rs. 56.05 million to the group for the year ended March 31, 2024.

If the combination had taken place at the beginning of the year, revenue from operations would have been higher by Rs. 2,063.40 million and the profit before tax for the Group would have been higher by Rs. 156.54 million. These amounts have been calculated using the subsidiary's results and adjusting them for:

- differences in the accounting policies between the group and the subsidiary, and
- the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from April 1, 2023.

Purchase consideration - cash outflow

	Rs. million
Cash consideration	3,473.07
Less: Balance acquired	(22.34)
Net outflow of cash	**3,450.73**

Acquisition-related costs

There are no directly attributable cost towards issue of shares under this acquisition. Acquisition related costs of Rs. 99.31 million that were not directly attributable to the issue of shares are included in exceptional expenses in the statement of profit and loss and in operating cash flows in the statement of cash flows.

Note 64 : HDT Matter

Emcure Pharmaceuticals, Ltd. ("Emcure") was sued by HDT in the United States District Court (US Court) on March 21, 2022 alleging misappropriation of its trade secrets. Emcure defended the proceedings and on December 4, 2023, the US Court dismissed HDT's claims without prejudice.

EMCURE PHARMACEUTICALS LTD. ★ PUNE ★

Note 65 : Code of Social Security

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Indian companies in the group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stake holders which are under active consideration by the Ministry. The Holding Company and its Indian subsidiaries will assess the impact and complete the evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Note 66 : Initial Public Offering ("IPO")

During the year ended March 31, 2022, the Holding Company had filed Draft Red Herring Prospectus ('DRHP 2021') with the Securities and Exchange Board of India ("SEBI"), and an application for In-principle approval from BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") in connection with proposed Initial Public Offering ("IPO") of its equity shares. The Holding Company had received observation letter dated December 08, 2021 from SEBI, which was valid until December 07, 2022 and has since then lapsed. The Holding Company had also received In-principle approval from BSE & NSE on August 30, 2021 & September 08, 2021 respectively are no longer valid.

During the year ended March 31, 2024, the Holding Company has filed Draft Red Herring Prospectus ('DRHP 2023') with the Securities and Exchange Board of India ("SEBI"), and an application for In-principle approval from BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") in connection with proposed Initial Public Offering ("IPO") of its equity shares. The Holding Company has received In-principle approval from BSE & NSE on March 28, 2024. The Holding Company has responded to initial observations received from SEBI and awaits final observation letter.

Note 67 : Events occurring after the March 31, 2024

There are no significant events subsequent to year ended March 31, 2024.

Note 68 : Authorisation of Consolidated financial statements

The Consolidated financial statements were approved by the Board of Directors on May 27, 2024.

For B S R & Co. LLP
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: May 27, 2024

For and on behalf of the Board of Directors
Emcure Pharmaceuticals Limited
CIN : U24231PN1981PLC024251

Berjis Desai
Non-executive Director & Chairman
DIN : 00153675

Satish Mehta
Managing Director & CEO
DIN : 00118691

Chetan Sharma
Company Secretary
Membership No. F8352

Tajuddin Shaikh
Chief Financial Officer

Place: Pune
Date: May 27, 2024