



Accounting. Tax. Finance. Legal. IT.

Independent Auditor's Opinion on Annual Accounting (Financial) Statements

of Unique Pharmaceutical Laboratories LLC

f o r t h e y e a r e n d e d 3 1 M a r c h 2 0 2 2

[Translation from Russian]

Moscow

May 11, 2022

Independent Auditor's Opinion

[Translation from Russian]

Attn: Shareholders of
Unique Pharmaceutical Laboratories Limited Liability Company

Opinion

We have audited the accounting (financial) statements of **Unique Pharmaceutical Laboratories Limited Liability Company** (Primary State Registration Number 1057746834420, 18 Tverskaya str., building 1, room 609, 127994, Moscow, Russia), which comprise the balance sheet for the period from 01.04.2021 to 31.03.2022, the income statement for the period from 01.04.2021 to 31.03.2022.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Unique Pharmaceutical Laboratories LLC as of March 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with the corporate accounting rules.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Accounting (financial) statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the accounting (financial) statements in the Russian Federation, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis of Accounting and Restriction on Distribution

We draw attention to the fact that the financial (accounting) statements are prepared for presentation to owners of Unique Pharmaceutical Laboratories LLC information concerning activities of Unique Pharmaceutical Laboratories LLC for the period from April 01, 2021, to March 31, 2022. As a result, the financial (accounting) statements may not be suitable for other purposes. Our opinion does not contain any qualifications regarding this issue.

Emphasis of Matter

We pay attention to the fact that the activities of Unique Pharmaceutical Laboratories LLC for the period from 01.04.2021 to 31.03.2022 were carried out under the conditions of: a special military operation, package sanctions against the state debt of the Russian Federation, a number of Russian banks, as well as personal sanctions against a number of individuals and legal entities, the spread of a new coronavirus infection and related economic consequences, and these accounting statements were compiled under the conditions of restrictive measures introduced by the Government of the Russian Federation, which, in our opinion, it is of great importance for the understanding of the reporting by its users.

Our opinion does not contain any qualifications regarding this issue.

Responsibilities of Management and Those Charged with Governance

The management are responsible for the preparation and fair presentation of the accounting (financial) statements in accordance with Russian Accounting Standards, and for such internal control as the management determine is necessary to enable the preparation of accounting (financial) statements that are free from material misstatement, whether due to fraud or error.

In preparing the accounting (financial) statements, the management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's annual financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the accounting (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 ISAs 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 accounting (financial) statements.

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

- a) Identify and assess the risks of material misstatement of the accounting (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.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- d) Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the accounting (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.
- e) Evaluate the overall presentation, structure and content of the accounting (financial) statements, including the disclosures, and whether the accounting (financial) statements represent the underlying transactions and events in a manner that achieves fair presentation.

- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the accounting (financial) statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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 responsible for the corporate governance of the audited entity with a statement that we have complied with all relevant ethical requirements regarding independence and have informed these persons of all relationships and other matters that can reasonably be considered to affect the independence of the auditor, and, where appropriate, of precautionary measures.

Audit Engagement Leader
Principal Number of Registration Entry
22006118182

Elena Kolomejchuk

General Director
Principal Number of Registration Entry
22006056914

Anna Siletskaya

Audit organization:
Bellerage Audit LLC
Primary State Registration Number 1097746796267
115054, Moscow, Schipok str. 11 bld.1
Member of self-regulating organization Association of Russian auditors "Sodruzhestvo" (SRO AAS)
Principal Number of Registration Entry 12006081663

May 11, 2022

Translated from Russian by Elena Kolomejchuk



UNIQUE PHARMACEUTICAL LABORATORIES LLC (RUSSIA, MOSCOW)
Standalone Balance Sheet as at March 31, 2022
(` in RUB)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS	1	2	3
Non-current assets			
(a) Property, plant and equipment	1	23 126 295	15 431 769
(b) Right-of-use assets		0	0
(c) Capital work-in-progress		0	0
(d) Goodwill		0	0
(e) Other intangible assets	2	899 654	482 808
(f) Intangible assets under development		0	0
(g) Financial assets		0	0
(i) Deferred tax assets (net)	3	55 226 731	58 748 026
(h) Other non-current assets		0	0
Total non-current assets		79 252 679	74 662 604
Current assets			
(a) Inventories	4	111 982 650	233 810 641
(b) Financial assets		0	0
(i) Investments		0	0
(ii) Trade receivables	5	298 104 019	272 677 136
(iii) Cash and cash equivalents	6	36 674 768	41 499 262
(iv) Bank balances other than cash and cash equivalents		0	0
(v) Loans		0	0
(vi) Other financial assets		0	0
(c) Income tax assets (net)		0	0
(d) Other current assets	7	30 669 596	38 179 983
Total current assets		477 431 034	586 167 023
Total assets		556 683 713	660 829 627
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	8	365 264 639	365 264 639
(b) Other equity	9	-161 034 600	-187 995 425
Total equity		204 230 040	177 269 214
Liabilities			
Non-current liabilities			
(a) Financial liabilities		0	0
(ii) Trade payables		0	0
(b) Provisions		0	0
(c) Deferred tax liabilities (net)		0	0
(c) Other non-current financial liabilities		0	0
(d) Other non-current liabilities		0	0
Total non-current liabilities		0	0
Current liabilities			
(a) Financial liabilities		0	0
(i) Borrowings		0	0
(ii) Lease liabilities		0	0
(iii) Trade payables	10	300 526 361	454 346 648
(iv) Other financial liabilities		0	0
(b) Other current liabilities	11	918 370	199 580
(c) Provisions	12	51 008 942	29 014 184
(d) Income tax liabilities (net)		0	0
Total current liabilities		352 453 673	483 560 412
Total liabilities		352 453 673	483 560 412
Total equity and liabilities		556 683 713	660 829 627

As per our report of even date

For UNIQUE PHARMACEUTICAL LABORATORIES LLC

General director _____ Nasa Sandeep

Place : Moscow

Date : 11 May 2022



UNIQUE PHARMACEUTICAL LABORATORIES LLC (RUSSIA, MOSCOW)
Standalone Statement of Profit and Loss for the year ended March 31, 2022

(` in RUB)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
INCOME			
Revenue From Operations	13	990 752 419	840 041 504
Other Income	14	15 511 299	2 103 816
Total Income (I+II)		1 006 263 718	842 145 319
EXPENDITURE			
Cost of materials consumed	15	549 132 457	468 087 823
Purchases of stock-in-trade		0	0
Changes in inventories of finished goods, stock-in-trade and work-in-progress		0	0
Employee benefits expense	16	229 368 356	198 816 631
Finance costs		0	0
Depreciation and amortization expense		7 272 060	6 374 689
Other expenses	17	186 830 917	167 225 953
Total expenses		972 603 791	840 505 095
Profit before tax (III-IV)		33 659 927	1 640 224
Tax expense:			
Current tax		3 177 811	1 967 778
Deferred tax		3 522 112	1 125 350
Total Tax expense		6 699 923	3 093 128
Profit for the year (V-VI)		26 960 005	-1 452 904
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Re-measurement of post-employment benefit obligations		0	0
Income tax relating to these items		0	0
Items that will be reclassified to profit or loss			
Gains/(losses) on cash flow hedges		0	0
Income tax relating to these items		0	0
Other comprehensive income/(loss) for the year		0	0
Total Comprehensive income for the year (VII+VIII)		26 960 005	-1 452 904
Earnings per equity share of face value of ` 2 each			
Basic (in `)			0
Diluted (in `)			0

As per our report of even date
For UNIQUE PHARMACEUTICAL LABORATORIES LLC

General director _____ Nasa Sandeep

Sandeep N



Place : Moscow

Date : 11 May 2022

UNIQUE PHARMACEUTICAL LABORATORIES LLC (RUSSIA, MOSCOW)

Standalone Statement of Changes in Equity for the year ended March 31, 2022

	(' in RUB)	
	As at March 31, 2022	As at March 31, 2021
A. Equity share capital (refer note 7)		
Balance at the beginning of the year	365 264 639	365 264 639
Changes in equity share capital during the year	0	0
Balance at the end of the year	365 264 639	365 264 639

B. Other equity (refer note 8)

Particulars	Attributable to the owners of the Company										Other Equity
	Capital Reserves (transferred from amalgamating company)			Reserves and surplus							
	Investment allowance reserve (utilised)	Capital reserve	Contingency reserve	Securities premium reserve	Capital redemption reserve	General reserve	Retained earnings	Employee stock options reserve	Cash flow hedge reserve	Other reserves	
Balance as on April 1, 2020	0	0	0	0	0	0	-186 543 543	0	0	0	-186 543 543
Profit for the year	0	0	0	0	0	0	-1 452 904	0	0	0	-1 452 904
Other comprehensive income for the year	0	0	0	0	0	0	1 022	0	0	0	1 022
Total comprehensive income for the year											
Payment of dividend (including tax on dividend)	0	0	0	0	0	0	-1 451 882	0	0	0	-1 451 882
Transfer to Capital Redemption Reserve on buyback of equity shares	0	0	0	0	0	0	0	0	0	0	0
Transfer from General Reserve on buyback of equity shares	0	0	0	0	0	0	0	0	0	0	0
Buyback of shares (including expenses)	0	0	0	0	0	0	0	0	0	0	0
Balance as on March 31, 2021	0	0	0	0	0	0	-187 995 425	0	0	0	-187 995 425
Profit for the year	0	0	0	0	0	0	26 960 005	0	0	0	26 960 005
Other comprehensive income for the year	0	0	0	0	0	0	821	0	0	0	821
Total comprehensive income for the year											
Payment of dividend (including tax on dividend)	0	0	0	0	0	0	26 960 826	0	0	0	26 960 826
Share based payment expense	0	0	0	0	0	0	0	0	0	0	0
Balance as on March 31, 2022	0	0	0	0	0	0	-161 034 600	0	0	0	-161 034 600

As per our report of even date

For UNIQUE PHARMACEUTICAL LABORATORIES LLC

General director Nasa Sandeep

Place : Moscow

Date : 11 May 2022



UNIQUE PHARMACEUTICAL LABORATORIES LLC (RUSSIA, MOSCOW)
Standalone Statement of Cash Flow for the year ended March 31, 2022

(` in RUB)

Particulars	Year Ended March 31, 2022		Year Ended March 31, 2021	
	Audited		Audited	
A. Cash flow from operating activities				
Profit before tax		33 659 927		1 640 224,02
Adjustments for:				
Depreciation and amortization expense	7 543 071		6 374 689	
Net (gain)/loss on sale/disposal of property, plant and equipment	-1 471 264		-700 000	
Excess provision written back	21 994 758		7 170 749	
Correction (previous years)			1 847	
		28 066 565		12 847 284,52
Operating profit before working capital changes		61 726 492		14 487 508,54
Adjustments for working capital:				
Increase in trade and other receivables	-25 426 883		38 499 483	
Other Receivables	7 510 387		-18 425 680	
Increase in inventories	121 827 991		-77 954 938	
Increase in trade payables, other liabilities and provisions	-153 820 287		55 507 761	
Other Payables & Provisions	718 790		39 952	
		-49 190 002		-2 333 421
Cash generated from operations		12 536 490		12 154 088
Income taxes paid (including tax deducted at source) (net of refund)		-3 177 811		-1 967 778
Net cash flow generated from operating activities (a)		9 358 680		10 186 310
B. Cash flow from investing activities				
Purchase of property, plant and equipment (refer note ii below)	-15 203 655		-2 575 599	
Purchase of intangible assets (including intangible asset under development)	-687 852			
Proceeds from sale of property, plant and equipment	1 708 334		700 000	
Net cash flow used in investing activities (b)		-14 183 174		-1 875 599
C. Cash flow from financing activities				
Payments for buy-back of equity shares	0		-	
(Repayment)/proceeds from current borrowings (net)	0		-	
Interest paid	0		-	
Dividend paid (including dividend distribution tax, in previous year)	0		-	
Repayment of lease liabilities	0		-	
Net cash flow used in financing activities (c)		0		-
Net increase /(decrease) in cash and cash equivalents (a+b+c)		-4 824 494		8 310 711
Cash and cash equivalents at the beginning of the year*	41 499 262		33 188 551	
Exchange difference on translation of foreign currency cash and cash equivalents			-	
Cash and cash equivalents at the end of the year*	36 674 768	-4 824 494	41 499 262	8 310 711

*Cash and cash equivalents comprises the following

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks	16 674 768	6 499 262
Cheques on hand	0	0
Cash on hand	0	0
Fixed deposits with maturity of less than 3 months	20 000 000	35 000 000
	36 674 768	41 499 262
Less : Bank overdraft	0	0
Cash and cash equivalents	36 674 768	41 499 262

As per our report of even date
For UNIQUE PHARMACEUTICAL LABORATORIES LLC

General director _____ Nasa Sandeep



Place : Moscow
Date : 11 May 2022

UNIQUE PHARMACEUTICAL LABORATORIES LLC (RUSSIA, MOSCOW)

Notes to the Standalone Financial Statements for the year ended March 31, 2022

1. Property, plant and equipment

Particulars	Gross Block				Accumulated Depreciation			Net Block	
	As at April 01, 2021	Additions	Disposals	As at March 31, 2022	As at April 01 2021	Depreciation charge for the year	On disposals	As at March 31, 2022	As at March 31, 2021
Freehold land	0	0	0	0	0	0	0	0	0
Factory buildings	0	0	0	0	0	0	0	0	0
Other buildings	0	0	0	0	0	0	0	0	0
Plant and equipment	0	0	0	0	0	0	0	0	0
Furniture and fixtures	0	0	0	0	0	0	0	0	0
Vehicles	39 706 520	14 525 033	7 670 627	46 560 926	26 914 863	5 979 732	7 433 557	25 461 038	12 791 656
Office equipment	6 997 455	678 621	0	7 676 076	4 517 035	1 235 966	0	5 753 001	2 480 421
Air conditioners	312 373	0	0	312 373	152 680	56 362	0	209 042	159 693
Total	47 016 348	15 203 655	7 670 627	54 549 376	31 584 578	7 272 060	7 433 557	31 423 081	15 431 769

2. Other intangible assets

Particulars	Gross Block				Accumulated Amortization			Net Block	
	As at April 01, 2021	Additions	Deductions	As at March 31, 2022	As at April 01, 2021	Amortization for the year	Deductions	As at March 31, 2022	As at March 31, 2021
(Acquired)									
Trade Marks*	0	0	0	0	0	0	0	0	0
Computer Software	0	0	0	0	0	0	0	0	0
EPCG On Software	0	0	0	0	0	0	0	0	0
WEB sites	755 700	687 852	0	1 443 552	272 892	271 007	0	899 654	482 808
Product Dossiers	0	0	0	0	0	0	0	0	0
Total	755 700	687 852	0	1 443 552	272 892	271 007	0	899 654	482 808

3. Deferred tax assets (net)

(` in RUB)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets		
Provision for bonus to distributors	7 820 705	6 008 563
Loss	47 406 026	52 740 280
Others		6
	55 226 731	58 748 849
Deferred tax liabilities		
Retirement benefits	0	0
MAT credit entitlement		0
Others		823
	0	823
Deferred tax assets (net)	55 226 731	58 748 026

4. Current financial assets - Inventories

(` in RUB)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials	0	0
Packing materials	0	0
Work-in-progress	0	0
Finished goods	0	0
Stock-in-trade	122 395 756	257 198 689
Less : Allowance for impaire of inventory	12 319 506	24 620 295
	110 076 250	232 578 394
Other materials	1 906 401	1 232 247
Total	111 982 650	233 810 641

5. Current financial assets - Trade receivables

(` in RUB)

Particulars	As at March 31, 2022	As at March 31, 2021
Considered good *	337 207 544	304 013 991
Less : Allowance for bonuses to distributors	39 103 525	30 042 816
Less : Reserve on bad debts		1 294 038
	298 104 019	272 677 136
Total	298 104 019	272 677 136

* Includes amount due from related parties (JBCPL)

30 427 531 39 754 965

6. Current financial assets -Cash and bank balance

(` in RUB)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
Balances with banks - In current accounts	16 674 768	6 499 262
Cheques on hand	0	0
Cash on hand	0	0
Bank deposits (having original maturity of less than 3 months)	20 000 000	35 000 000
Total	36 674 768	41 499 262

7. Other Current Assets

(` in RUB)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances to suppliers	13 796 676	6 813 324
Prepaid expenses	4 221 409	3 445 039
Customs	1 363 216	5 344 688
VAT	10 365 734	18 023 795
Balances with statutory/revenue authorities like goods and service tax (GST), excise, service tax, etc.	302 137	3 822 818
Other receivables	620 424	730 318
Total	30 669 596	38 179 983

UNIQUE PHARMACEUTICAL LABORATORIES LLC

(RUSSIA, MOSCOW)

Notes to the Standalone Financial Statements for the year ended March 31, 2022

8. Share capital

(' in RUB)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorized capital	365 264 639,24	365 264 639,24
Total	365 264 639,24	365 264 639,24

Details of shareholders

Name of Shareholder	As at March 31, 2022 % of Holding	As at March 31, 2021 % of Holding
JB Chemicals & Pharmaceuticals LTD (India)	100,00	100,00

9. Other equity

(' in RUB)

Particulars	As at March 31, 2022	As at March 31, 2021
Retained earnings/loss	(161 034 599,57)	(187 995 425,16)
Total	(161 034 599,57)	(187 995 425,16)

10. Current financial liabilities - Trade payables

(` in RUB)

Particulars	As at March 31, 2022	As at March 31, 2021
(Carried at amortised cost, except otherwise stated)		
Related parties	292 397 452	433 306 387
- JBCPL	227 933 172	366 369 335
- UPL FZE	64 464 279	66 937 053
Other trade payables	8 050 500	20 311 744
Advances from customers	78 409	728 516
Total	300 526 361	454 346 648

11. Current financial liabilities-Others

(` in RUB)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued and due on borrowings	0	0
Unclaimed dividends*	0	0
Creditors for capital expenditure	0	0
Forward contracts payable	0	0
Other payables	918 370	199 580
Lease liabilities	0	0
Deposits from distributors	0	0
Security deposits from customers	0	0
Total	918 370	199 580

12. Current liabilities -Provisions

(` in RUB)

Particulars	As at March 31, 2022	As at March 31, 2021
Reserve on ESOP	10 547 300	
Reserve on vacation	40 461 642	29 014 184
Total	51 008 942	29 014 184

In the year 2004, JB Chemicals & Pharmaceuticals LTD (India) has instituted the Employees Stock option Scheme. The Group's Policy provides for UNIQUE PHARMACEUTICAL LABORATORIES LLC to compensate employee compensation cost directly related to the Option granted to the Employee(s) of UNIQUE PHARMACEUTICAL LABORATORIES LLC, including in terms of the execution of the Option Program. The amount of Compensation as on March, 31 2022 is 9 521 544,00 INR (10 547 299,94 RUB).

Reconciliation of tax expense and the accounting profit is under

(` in RUB)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Accounting Profit before tax	33 659 927	1 640 224
Enacted tax rate (%)	20,00%	20,00%
Expected income tax expense	6 731 985	328 045
Tax effect of :		
Differences:	8 900 395	7 255 240
-Discounts, compensations of shortages/damages	174 740	8 653
-Employee's expenses not subject for profit tax base	534 723	50 892
-Utilisation of brought forward losses on which no deferred tax asset was recognised	0	0
-ESOP	10 547 300	
-Charity	15 020	601 168
-Allowance for impaire of inventory	-12 300 789	11 854 173
-Gifts	478 114	515 188
-Staff Welfare Expenses	302 035	277 512
-Other expenses	88 543	517 217
-Bonuses for disrtibutors	9 060 709	-6 569 565
Accounting Profit after ajustment	42 560 322	8 895 464
Previous years loss reducing the profit tax base	21 280 161	4 447 732
Tax expenses	3 177 811	889 546
-Adjustment recognised in current year in relation to the current tax of earlier years	0	0
Tax expenses recognized in profit or loss	3 177 811	889 546
Effective tax rate (%)	9,44%	54,23%

13. Revenue from operations

(` in RUB)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sales of products and services		
Sale of pharmaceuticals products	734 558 971	607 784 919
Marketing services	256 193 448	232 256 585
Realised exchange differences on sale of product and services		
Share of Joint Venture	0	0
	990 752 419	840 041 504
Other Operating Revenues :		
	0	0
Total	990 752 419	840 041 504

14. Other income

(` in RUB)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on financial instruments measured at amortised cost-		
Fixed deposits	1 473 303	763 835
Others	0	0
Dividend from current investment	0	0
Dividend from investments	0	0
Net gain on disposal of property, plant and equipment	1 471 264	700 000
Provision for Doubtful debts Written Back /Recovered		0
Allowance for impaire of inventory	12 300 789	0
Net Gain/ (loss) on foreign currency transactions	87 010	-67 340
Miscellaneous income ^	178 933	707 321
Total	15 511 299	2 103 816

15. Cost of material consumed

(` in RUB)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Raw materials and packing materials		
Opening inventories	0	0
Purchases	70 400	458 333
	70 400	458 333
Less: Closing inventories	0	0
Total	70 400	458 333

Note : Purchase of traded goods

(` in RUB)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening inventories	233 810 641	155 855 704
Purchases of traded goods	427 304 466	546 042 760
	661 115 108	701 898 464
Less: Closing inventories	111 982 650	233 810 641
Total	549 132 457	468 087 823

16. Employee benefits expense

(' in RUB)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages (marketing)	85 301 790	90 505 319
Salaries and wages (others)	92 102 521	69 252 951
Contribution to provident fund and other funds (marketing)	21 480 334	22 254 835
Contribution to provident fund and other funds (others)	11 132 695	11 131 463
ESOP	10 547 300	0
Medical insurance (marketing)	1 963 376	2 144 824
Medical insurance (others)	1 560 934	1 510 854
Other payments under labour contract	4 977 371	1 738 872
Staff welfare expenses	302 035	277 512
Total	229 368 356	198 816 631

17. Other expenses

(' in RUB)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Audit Fees	650 000	1 339 000
Bank Charges	1 310 890	1 217 769
Business trips	111 213	23 426
Car expenses	1 279 663	1 005 228
Certification	3 931 258	2 711 693
Consulting services	892 643	686 811
Destruction expenses	11 000	18 898
Freight Expenses	924 808	698 121
HR expenses	703 482	732 360
Insurance	916 225	586 299
Office Rent	8 317 650	5 264 274
Packing	198 730	458 333
Registration expenses	1 185 157	937 250
Rep. expenses	58 860	31 568
Shortages/Damages	412 567	117 080
Software expenses	927 404	1 294 890
Warehousing expenses	19 164 190	10 905 813
Marketing expenses		
Advertizing in internet	5 318 106	5 741 703
Advertizing in magazines	860 893	778 000
Advertizing Metrogyl, Panum, Zott	17 315 004	6 789 754
Business trips	2 444 446	2 527 416
Car expenses	11 196 638	10 286 704
CRM	1 790 150	1 822 073
Delivery of materials to med. Reps	143 023	272 624
Exhibitions	8 718 098	12 020 533
HR expenses	80 935	65 700
Information services	4 764 583	4 848 250
Marketing reserch	72 300 486	61 430 269
Monitoring of sales	4 488 500	4 363 438
Office equipment	667 094	
Presentations	928 085	665 616
Promo materials	1 652 334	2 235 467
Round tables for doctors	5 521 497	5 470 617
Trainings	2 399 250	1 159 045
Other expenses	471 268	512 584
Discounts, compensations of shortages/damages	174 740	8 653
Loss on DNs	4 232	0
Charity	15 020	601 168
Allowance for impaire of inventory	0	11 854 173
Miscellaneous Expenses	4 580 795	5 743 352
Total	186 830 917	167 225 953

18. Other notes

In February 2022, the economic situation in the Russian Federation was negatively affected by the escalated military-political conflict related to Ukraine, as well as related international sanctions against a number of Russian institutions, companies, banks and citizens.

The announced sanctions, among other things, provide for: partial blocking of gold and foreign exchange reserves managed by the Bank of Russia, restriction of access of the Ministry of Finance of the Russian Federation and the Bank of Russia to the European capital market, restrictions on the ability of residents of the Russian Federation to invest in euro-denominated instruments and a number of other restrictive measures. These factors have led to a significant increase in instability in financial markets, a sharp change in the prices of financial instruments, an increase in trading spreads, and a decrease in the sovereign ratings of the Russian Federation. To reduce the volatility of currency exchange rates, the Bank of Russia raised the key rate to 20% per annum, introduced a mandatory sale of foreign exchange earnings and took a number of other measures. Also, restrictions have been imposed on the exit of foreign businesses from Russian assets.

In order to support the Russian financial sector in conditions of increased volatility, the Bank of Russia: (1) provided financial institutions with the opportunity to evaluate financial instruments and foreign currency available as of February 18, 2022 at fair value and the exchange rate as of the specified date, and financial instruments acquired after the specified date at fair value as of the acquisition date, for reporting purposes, and easing short-term liquidity standards for credit and non-credit organizations, (2) lifted restrictions on the full cost of consumer loans for banks, (3) declared its readiness to provide further necessary support to the Russian financial sector.

The above events require the adaptation of the business to a changing operating environment characterized by significant uncertainty and having a significant impact on the Company and its activities. The actual future operating environment and its impact on the Company and its activities may differ from management's current expectations.

At the moment, the Company's management is assessing the possible impact of the above-mentioned events and is taking all necessary measures to ensure the sustainable operation of the Company. In 2022, financial and economic activities, the volume of sales of pharmaceutical products has increased after a short fall, the main sales channels continue to work.