Notes to the standalone financial statements

for the year ended March 31, 2020

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

1.1 CORPORATE INFORMATION

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

The Company is principally engaged in the business of Pharmaceuticals.

The standalone financial statements for the year ended 31st March, 2020 were authorised for issue by the Company's board of directors on 17th June, 2020.

1.2 BASIS OF PREPARATION AND MEASUREMENT

Statement of compliance

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

Basis of preparation and measurement

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

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

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

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

1.3 SIGNIFICANT ACCOUNTING POLICIES

a CURRENT AND NON-CURRENT CLASSIFICATION

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

Notes to the standalone financial statements

for the year ended March 31, 2020

b REVENUE RECOGNITION

Revenue recognition under Ind AS 115 (applicable from 1st April, 2018)

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

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

Step 2 : Identify the performance obligation in contract

Step 3 : Determine the transaction price

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

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

The Company has adopted Ind AS 115 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e. 1st April, 2018).

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

Sale of products

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

Profit share revenues

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

Sales returns

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

Interest income

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

Dividends

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

Other income

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

c PROPERTY, PLANT AND EQUIPMENT

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

Notes to the standalone financial statements

for the year ended March 31, 2020

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

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

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

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

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

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Depreciation method and estimated useful lives

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

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

Gain or loss on Disposal

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

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

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

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

Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date and if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax

Notes to the standalone financial statements

for the year ended March 31, 2020

discount rate that reflects current market assessments of the time value of the money and risks specific to the assets. In determining fair value less costs of disposal, recent market transactions taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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

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

d Other Intangible Assets

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

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

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the amount of the asset and are recognised in the statement of profit and loss when the asset is de-recognised.

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

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

e FINANCIAL INSTRUMENTS

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

FINANCIAL ASSETS

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

Initial recognition and measurement

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

Subsequent measurement

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

(a) Debt instruments at amortised cost

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

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

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

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

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

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

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

(d) Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. For all equity instruments, the Company may make an irrevocable election to present in other comprehensive income, subsequent changes in the fair value. All fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. The Company has made such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Derecognition

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

* The rights to receive cash flows from the asset has expired, or

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

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

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

Impairment of financial assets

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

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

(b) Financial assets that are equity instruments and are measured as at FVTOCI ;

(c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of trade receivables or contract assets.

Notes to the standalone financial statements

for the year ended March 31, 2020

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

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

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

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

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

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

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

Equity instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For trade receivables only, the company applies the simplified approach permitted by Ind AS 109 financial instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

FINANCIAL LIABILITIES

The Company classifies all financial liabilities as subsequently measured at amortised cost or FVTPL.

Initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of loans and borrowings, payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and borrowings including bank overdrafts.

Subsequent measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A Financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

f FAIR VALUE MEASUREMENT

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets/ declared buyback NAV for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

g INVENTORIES

Raw materials and packing materials are valued at lower of cost and net realisable value, cost of which includes duties and taxes and is arrived at on weighted average cost basis. Cost of imported raw materials and packing materials lying in bonded warehouse includes customs duty. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

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Finished products including traded goods and work-in-progress are valued at lower of cost and net realisable value. Cost is arrived at on weighted average cost basis. Cost of finished products and work-in-progress includes material cost, labour, direct expenses, production overheads and applicable taxes, where applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

h FOREIGN CURRENCY TRANSLATION/ TRANSACTIONS

The financial statements are presented in Indian Rupees (INR) which is company's functional and presentation currency.

Monetary assets and liabilities denominated in a foreign currency outstanding at the year end are restated at the year end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expense in the year in which they arise.

i GOVERNMENT GRANTS

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/ subsidy will be received and all attaching conditions will be complied with.

Government grants related to revenue is recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

Government grants relating to specific fixed assets is recognised as income in equal amounts over the expected useful life of the related asset.

j EMPLOYEE BENEFITS

All employee benefits payable wholly within twelve months rendering service are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, exgratia are recognised during the period in which the employee renders related service.

Defined contribution plans

Company's contribution to recognised provident fund, family pension fund and superannuation fund is defined contribution plan and is charged to the statement of profit and loss on accrual basis. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. There are no other obligations other than the contribution payable to the respective trusts.

The Company fully contributes all ascertained liabilities to the FDC Limited Gratuity Trust (the Trust). Trustees administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by laws of India.

Defined benefit plans

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Contribution to gratuity fund is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Remeasurement of the net defined liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest income) are recognised in other comprehensive income. Remeasurement are not reclassified to the statement of profit and loss in subsequent periods. Net interest and other expenses related to defined benefits plan are recognised in the statement of profit and loss.

Other employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. The Company has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method at the end of financial year.

k RESEARCH AND DEVELOPMENT EXPENSES

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an other intangible asset when the Company can demonstrate technical and commercial feasibility of making the asset available for use.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

l INVESTMENTS IN SUBSIDIARIES

A subsidiary is an entity that is controlled by the Company.

The Company accounts for the investments in equity shares of subsidiaries at cost in accordance with Ind AS 27- Separate Financial Statements.

m LEASE ACCOUNTING

Company as a lessee

The Company lease asset classes primarily consist of leases for land and buildings. The Company assess whether a contract contains a lease, at inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether :

(1) the contract involves the use of an identified asset

(2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and low value leases. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments.

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for the year ended March 31, 2020

The lease payments are discounted using the generally accepted interest rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Effective 1st April, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st April 2019 using the modified retrospective method and has taken the cumulative effect of initially applying the Standard and recognised at the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the generally accepted interest rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the generally accepted interest rate at the date of initial application. Comparatives as at and for the year ended 31st March, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31st March, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset and a 'lease liability'. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

Ind AS 116 - Practical expedients

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

2. Applied the exemption not to recognize right-of use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligation recorded as of 31st March 2019 under Ind AS 17 disclosed under Note 46 and the value of the lease liability as of 1st April 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The interest rate applied to lease liabilities as at 1st April 2019 is 8.95%.

n EARNING PER SHARE

Basic earning per share is computed by dividing the net profit after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is computed by dividing the net profit after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, if any.

o TAXATION

Current tax

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted by the balance sheet date.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which unused tax credits and unused tax losses can be recognised. At each balance sheet date, the Company reassesses unrecognised deferred tax assets and are recognised to the extent that it is probable that future taxable profit will be available for their realisation.

Current and deferred tax for the year

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible a temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Minimum Alternate tax (MAT)

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and adjusted when the Company will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognised to the extent probable that the unused tax credit can be utilised in the specified future period. The net amount of tax recoverable from, or payable to, the authority is included as part of receivables or payables in the balance sheet.

p PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

Notes to the standalone financial statements

for the year ended March 31, 2020

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

q CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of benefits is probable, contingent asset is disclosed in the financial statements.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets and Non-cancellable operating lease.

Contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

r SEGMENT REPORTING

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocate the resources based on an analysis of various performance indicators by business segments. The Company's chief operating decision maker is the Managing Director of the Company.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

s CASH AND CASH EQUIVALENTS

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

For the purpose of the cash flows statement, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

t CASH DIVIDEND TO EQUITY HOLDERS

The Company recognises a liability to make cash distribution to equity holders of the company when the distribution is authorised and the distribution is no longer at the discretion of the company. As per the law, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

u EXCEPTIONAL ITEMS

The Company discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying operating performance of the Company and provides consistency with the Company's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Company. Exceptional item can include, but are not restricted to, impairment loss on investments/long term loans exchange gain/ (loss) on long term borrowings/ assets and changes in fair value of derivative contracts.

v POLICY FOR STATEMENT OF CASH FLOWS

The Company's statement of cash flows are prepared using the Indirect method, whereby profit/ loss for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

1.4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect reported amounts of revenue, expenses, assets and liabilities and the disclosures of contingent assets and liabilities as at the date of the financial statements and the results of operations during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Sales returns

Revenue from sale of products is recognised when significant risks and rewards of ownership are transferred to customers, which coincides with dispatch of goods to customers. However, the Company needs to accept goods returned from its customers towards expiry, breakages and damages. Accordingly, the Company has made provision based on the historical sales return trends with respect to the shelf life of various products.

Impairment of financial assets

The Company recognises loss allowances on financial assets using expected credit loss model which is equal to the 12 months expected credit losses or full time expected credit losses.

The Company follows 'Simplified approach' for recognition of loss allowance on trade receivables under which company does not track changes in credit risk. Rather, it recognises loss allowance based on lifetime expected credit losses at each reporting date, right from its initial recognition.

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

Defined benefit plans (gratuity benefits)

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair value of financial assets and liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements includes considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Useful life of property, plant and equipment and other intangible assets

As described in Note 1.3 (c and d), the Company reviews the estimated useful lives and residual values of property, plant and equipment and other intangible assets at the end of each reporting period. During the current financial year, the management has reassessed the useful lives of certain property, plant and equipment and other intangible assets and the impact of the change is not material for the year. There were no changes in residual values of the property, plant and equipment and other intangible assets.

Notes to the standalone financial statements

for the year ended March 31, 2020

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. The assessment of probability involves estimation of a number of factors including future taxable income.

Provision against obsolete and slow-moving inventories

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Company estimates the net realisable value for such inventories based on the latest invoice prices and current market conditions. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Company reassesses the estimation on each balance sheet date.

The provision against obsolete and slow-moving inventories requires the use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact on the carrying value of inventories and the write-down of inventories recognised in the periods in which such estimates have been changed.

Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2020.

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2 PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF- USE ASSETS, OTHER INTANGIBLE ASSETS AND CAPITAL WORK-IN-PROGRESS

₹ in lakhs

PARTICULARS	GROSS CARRYING VALUE				DEPRECIATION / AMORTISATION				NET CARRYING VALUE	
	As at 31st March 2019	Additions	Deletions / Adjustments	As at 31st March 2020	As at 31st March 2019	For the year	Deletions / Adjustments	As at 31st March 2020	As at 31st March 2020	As at 31st March 2019
PROPERTY, PLANT AND EQUIPMENT										
Leasehold land	333.26	-	-	333.26	30.99	7.60	-	38.59	294.67	302.27
Leasehold Improvements	383.95	-	-	383.95	106.46	76.06	-	182.52	201.43	277.49
Freehold land *	41,544.78	-	834.62	40,710.16	-	-	-	-	40,710.16	41,544.78
Buildings **	13,008.69	-	134.83	12,873.86	1,647.83	400.58	11.78	2,036.63	10,837.23	11,360.86
Plant and machinery	11,033.66	827.42	48.15	11,812.93	4,872.03	1,102.29	43.07	5,931.25	5,881.68	6,161.63
Laboratory testing machines	3,226.59	303.57	32.85	3,497.31	1,356.70	356.32	24.32	1,688.70	1,808.61	1,869.89
Electrical installations	1,213.09	54.18	6.72	1,260.55	635.93	119.48	3.41	752.00	508.55	577.16
Furniture, fixtures and fittings	2,355.60	106.36	-	2,461.96	1,096.06	199.66	-	1,295.72	1,166.24	1,259.54
Office equipments	2,414.19	247.18	7.62	2,653.75	1,507.19	400.73	6.84	1,901.08	752.67	907.00
Vehicles	452.82	168.04	35.56	585.30	255.05	62.24	35.37	281.92	303.38	197.77
R & D Assets										
Freehold land	449.09	-	-	449.09	-	-	-	-	449.09	449.09
Buildings	1,120.24	-	-	1,120.24	93.43	25.73	-	119.16	1,001.08	1,026.81
Equipments	2,356.79	211.17	44.44	2,523.52	1,173.44	239.39	36.24	1,376.59	1,146.93	1,183.35
Furniture and fixtures	258.18	24.10	1.02	281.26	172.57	65.90	0.74	237.73	43.53	85.61
Total of Property, plant and equipment (A)	**80,150.93**	**1,942.02**	**1,145.81**	**80,947.14**	**12,947.68**	**3,055.98**	**161.77**	**15,841.89**	**65,105.25**	**67,203.25**
RIGHT-OF-USE ASSETS										
Right-of-use (leasehold properties) **(B)**	**-**	**1,730.90**	**-**	**1,730.90**	**-**	**481.14**	**-**	**481.14**	**1,249.76**	**-**
OTHER INTANGIBLE ASSETS										
Marketing rights/ Trademarks	66.38	66.70	-	133.08	52.51	22.32	-	74.83	58.25	13.87
Software	1,150.78	110.63	-	1,261.41	520.82	176.89	-	697.71	563.70	629.96
Total of Other intangible assets (C)	**1,217.16**	**177.33**	**-**	**1,394.49**	**573.33**	**199.21**	**-**	**772.54**	**621.95**	**643.83**
Total (A+B+C)	**81,368.09**	**3,850.25**	**1,145.81**	**84,072.53**	**13,521.01**	**3,736.33**	**161.77**	**17,095.57**	**66,976.96**	**67,847.08**
Capital work- in- progress									**2,385.00**	**1,238.14**

* Freehold land of ₹ 640.66 lakhs (Previous year-₹ 640.66 lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

** Building of ₹ 3,178.14 lakhs (Previous year-₹ 3,272.60 lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

The Company has not capitalised any borrowing cost during the current year (Previous year - ₹ Nil).

The Company has not recognised any impairment loss during the current year (Previous year - ₹ Nil).

No property, plant and equipment is pledged as security by the Company.

Notes to the standalone financial statements

for the year ended March 31, 2020

2 PROPERTY, PLANT AND EQUIPMENT, OTHER INTANGIBLE ASSETS, CAPITAL WORK-IN-PROGRESS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in lakhs

PARTICULARS	GROSS CARRYING VALUE				DEPRECIATION / AMORTISATION				NET CARRYING VALUE	
	As at 31st March 2018	Additions	Deletions / Adjustments	As at 31st March 2019	As at 31st March 2018	For the year	Deletions / Adjustments	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
PROPERTY, PLANT AND EQUIPMENT										
Leasehold land	333.26	-	-	333.26	23.39	7.60	-	30.99	302.27	309.87
Leasehold Improvements	385.32	-	1.37	383.95	30.84	76.21	0.59	106.46	277.49	354.48
Freehold land * $	41,544.78	-	-	41,544.78	-	-	-	-	41,544.78	41,544.78
Buildings **	12,837.52	177.71	6.54	13,008.69	1,247.48	403.09	2.74	1,647.83	11,360.86	11,590.04
Plant and machinery	8,782.13	2,263.56	12.03	11,033.66	3,747.75	1,134.08	9.80	4,872.03	6,161.63	5,034.38
Laboratory testing machines	2,570.39	408.06	(248.14)	3,226.59	910.94	302.50	(143.26)	1,356.70	1,869.89	1,659.45
Electrical installations	1,050.04	134.24	(28.81)	1,213.09	490.51	125.00	(20.42)	635.93	577.16	559.53
Furniture, fixtures and fittings	2,143.98	208.00	(3.62)	2,355.60	862.81	230.85	(2.40)	1,096.06	1,259.54	1,281.17
Office equipments	2,014.26	399.37	(0.56)	2,414.19	1,118.82	387.72	(0.65)	1,507.19	907.00	895.44
Vehicles	326.22	126.60	-	452.82	195.86	59.19	-	255.05	197.77	130.36
R & D Assets										
Freehold land	449.09	-	-	449.09	-	-	-	-	449.09	449.09
Buildings	1,120.24	-	-	1,120.24	66.07	27.36	-	93.43	1,026.81	1,054.17
Equipments	2,535.09	115.99	294.29	2,356.79	1,028.49	312.82	167.87	1,173.44	1,183.35	1,506.60
Furniture and fixtures	222.04	80.09	43.95	258.18	128.94	75.52	31.89	172.57	85.61	93.10
Total of Property, plant and equipment (A)	**76,314.36**	**3,913.62**	**77.05**	**80,150.93**	**9,851.90**	**3,141.94**	**46.16**	**12,947.68**	**67,203.25**	**66,462.46**
OTHER INTANGIBLE ASSETS										
Marketing rights/ Trademarks	59.39	6.99	-	66.38	49.99	2.52	-	52.51	13.87	9.40
Software	854.84	295.94	-	1,150.78	351.51	169.31	-	520.82	629.96	503.33
Total of Other intangible assets (B)	**914.23**	**302.93**	**-**	**1,217.16**	**401.50**	**171.83**	**-**	**573.33**	**643.83**	**512.73**
Total (A+B)	**77,228.59**	**4,216.55**	**77.05**	**81,368.09**	**10,253.40**	**3,313.77**	**46.16**	**13,521.01**	**67,847.08**	**66,975.19**
Capital work- in- progress									**1,238.14**	**988.54**
Intangible assets under development									**-**	**295.94**

* Freehold land of ₹ 640.66 lakhs (Previous year-₹ 640.66 lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

** Building of ₹ 3,272.60 lakhs (Previous year-₹ 3,272.60 lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

$ Freehold land includes land acquired on Amalgamation with a carrying value of ₹ 817.49 lakhs for which the Company is in the process of registering the title deeds in its name.

The Company has not capitalised any borrowing cost during the current year (Previous year - ₹ Nil).

The Company has not recognised any impairment loss during the current year (Previous year - ₹ Nil).

No property, plant and equipment is pledged as security by the Company.

Notes to the standalone financial statements

for the year ended March 31, 2020

3 INVESTMENTS

₹ in lakhs

Particulars	Non-current As at 31st March 2020	Non-current As at 31st March 2019
UNQUOTED		
Investments stated at cost		
Investments in fully paid-up equity instruments in subsidiaries		
374,085 (Previous year - 374,085) Equity shares of FDC International, UK of GBP 0.01 each (₹ 75.24)	0.00	0.00
500 (Previous year - 500) Equity shares of FDC Inc., of USD 100 each	22.00	22.00
	22.00	**22.00**
Investments in fully paid-up equity instruments in joint venture entity		
159,250 (Previous year - 159,250) Equity shares of Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd., of ZAR 1 each	11.30	11.30
Less: Provision for impairment in the value of investments	(11.30)	(11.30)
	-	**-**
Investments measured at amortised cost		
Investment in government securities (Refer note below)		
National Savings Certificates	0.07	0.07
35 (Previous year - 35) Govt. of India G.P. Notes - face value of ₹ 2,000	0.02	0.02
	0.09	**0.09**
Investments designated at fair value through other comprehensive income		
Investments in fully paid-up equity instruments	**0.63**	**0.63**
(A)	**22.72**	**22.72**
Investments mandatorily measured at fair value through profit or loss		
Investments in units of mutual funds	6,921.38	10,120.83
Investments in fully paid up non convertible debentures	403.40	-
(B)	**7,324.78**	**10,120.83**
Sub Total (C) = (A+B)	**7,347.50**	**10,143.55**
QUOTED		
Investments measured at amortised cost		
Investments in fully paid up bonds	10,333.33	7,634.46
Less: Provision for impairment in the value of investments	(1,500.00)	-
(D)	**8,833.33**	**7,634.46**
Investments designated at fair value through other comprehensive income		
Investments in fully paid-up equity instruments	72.64	154.68
(E)	**72.64**	**154.68**
Sub Total (F) = (D+E)	**8,905.97**	**7,789.14**
Total = (C+F)	**16,253.47**	**17,932.69**
Aggregate book value of quoted investment	8,905.97	7,789.14
Aggregate market value of quoted investments	8,905.97	7,789.14
Aggregate value of unquoted investments	7,347.50	10,143.55
Aggregate amount of impairment in value of investments	1,511.30	11.30

Note: National Savings Certificates of the value of ₹ 0.04 lakhs (Previous year - ₹ 0.04 lakhs) and Government of India G.P.notes of the value of ₹ 0.02 lakhs (Previous year- ₹ 0.02 lakhs) have been lodged with the Excise authorities. National Savings Certificates of ₹ 0.03 lakhs (Previous year - Rs. 0.03 lakhs) have been lodged with Sales Tax authorities.

Notes to the standalone financial statements

for the year ended March 31, 2020

List of significant investments in subsidiaries and joint venture

₹ in lakhs

	% of equity interest	
	As at 31st March 2020	**As at 31st March 2019**
Name and Country of Incorporation		
a. Subsidiaries		
FDC International Ltd., UK	100%	100%
FDC Inc., USA	100%	100%
b. Joint Venture		
Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd., South Africa	49%	49%

4 LOANS*

₹ in lakhs

	Non-current	
	As at 31st March 2020	**As at 31st March 2019**
Unsecured, considered good		
Loans to employees	17.99	10.20
Security deposits	594.72	570.02
	612.71	**580.22**

* There is no amount due from director, other officers of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.

5 OTHER FINANCIAL ASSETS

₹ in lakhs

	Non-current	
	As at 31st March 2020	**As at 31st March 2019**
Unsecured, considered good		
Margin money deposits	2.25	3.17
	2.25	**3.17**

6 INCOME TAX ASSETS (NET)

₹ in lakhs

	As at 31st March 2020	**As at 31st March 2019**
Income tax paid [Net of provision - ₹29,545.46 lakhs (Previous year - ₹ 21,357.47 lakhs)]	1,582.93	1,485.26
	1,582.93	**1,485.26**

Notes to the standalone financial statements

for the year ended March 31, 2020

7 OTHER NON-CURRENT ASSETS

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Unsecured, considered good		
Capital advances	341.97	484.91
Prepaid expenses	73.20	67.69
	415.17	**552.60**

8 INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Raw materials [Including stock in transit ₹ 110.60 lakhs (Previous year - ₹ Nil)]	8,133.92	4,119.14
Packing materials [Including stock in transit ₹ 32.54 lakhs (Previous year - ₹ Nil)]	1,810.91	1,688.79
Work-in-progress	1,652.44	2,169.30
Finished goods [Including stock in transit ₹ 421.71 lakhs (Previous year - ₹ 872.21 lakhs)]	7,778.76	7,966.28
Stock in trade [Including stock in transit ₹ Nil (Previous year - ₹ Nil)]	1,573.27	1,329.89
	20,949.30	**17,273.40**

During the year ended 31st March 2020, ₹ 600.12 lakhs (Previous year - ₹722.89 lakhs) was charged to the statement of profit and loss on account of damaged and slow moving inventories.

9 INVESTMENTS

₹ in lakhs

	Current	
	As at 31st March 2020	As at 31st March 2019
UNQUOTED		
Investments mandatorily measured at fair value through profit or loss		
Investments in mutual funds	50,224.12	40,192.57
Investments in fully paid up non-convertible debentures	-	400.20
	50,224.12	**40,592.77**
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate value of unquoted investments	50,224.12	40,592.77
Aggregate amount of impairment in value of investments	-	-

Notes to the standalone financial statements

for the year ended March 31, 2020

10 TRADE RECEIVABLES

₹ in lakhs

		As at 31st March 2020	As at 31st March 2019
Unsecured, considered good		12,419.46	8,352.07
Credit impaired		111.86	122.41
	(A)	**12,531.32**	**8,474.48**
Less : Allowance for credit loss	**(B)**	**111.86**	**122.41**
	(A-B)	**12,419.46**	**8,352.07**

Movement in expected credit loss allowance

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	122.41	107.08
Less: Amount collected and hence reversal of provision	15.98	0.68
Less: Balance written off during the year	-	-
Add: Provision made during the year	5.43	16.01
Balance at the end of the year	**111.86**	**122.41**

Note: There are no trade or other receivables which are due from directors or other officers of the company either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.

For terms and conditions relating to related party receivables, refer note 46

Trade receivables are non-interest bearing and are generally on terms of 8 to 120 days.

11 CASH AND CASH EQUIVALENTS

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Cash on hand	11.85	8.64
Balances with banks:		
In current accounts	2,562.63	1,061.34
In deposit accounts (with original maturity of 3 months or less)	77.42	366.28
	2,651.90	**1,436.26**

12 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Margin money deposits*	28.57	25.69
In unpaid dividend account	215.41	108.23
	243.98	**133.92**

*Margin money deposits are given as security against bank guarantee with original maturity of more than 3 months but less than 12 months.

Notes to the standalone financial statements

for the year ended March 31, 2020

13 LOANS

₹ in lakhs

		Current	
		As at 31st March 2020	As at 31st March 2019
Unsecured, considered good			
Loans/ advances to employees		23.86	34.99
Security deposits		93.04	37.62
Loans to related parties (Refer note 46)		-	-
Credit impaired			
Loans to related parties (Refer note 46)		365.32	317.00
	(A)	**482.22**	**389.61**
Less: Impairment of loan to related parties	**(B)**	**365.32**	**317.00**
	(A-B)	**116.90**	**72.61**

14 OTHER FINANCIAL ASSETS

₹ in lakhs

		Current	
		As at 31st March 2020	As at 31st March 2019
Unsecured, considered good			
Receivable towards mutual funds units redemptions		1,545.77	-
Export benefit receivable		357.71	358.34
Interest accrued on investments and others		21.46	164.50
Credit impaired			
Interest accrued on loan to related parties (Refer note 46)		73.33	50.39
	(A)	**1,998.27**	**573.23**
Less: Impairment of interest accrued on loan to related parties	**(B)**	**73.33**	**50.39**
	(A-B)	**1,924.94**	**522.84**

15 OTHER CURRENT ASSETS

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Unsecured, considered good		
Advances to suppliers	963.13	649.69
Prepaid expenses	711.03	578.52
Balances with statutory/government authorities	2,125.69	3,295.74
Reimbursement of expenses receivable from FDC SA(Pty) Ltd. (Refer note 46)	-	-
Credit impaired		
Reimbursement of expenses receivable from FDC SA(Pty) Ltd. (Refer note 46)	18.42	18.42
Balances with statutory/government authorities	25.69	25.69
	3,843.96	**4,568.06**
Less: Impairment of expenses receivable from FDC SA(Pty) Ltd.	18.42	18.42
Less: Allowance for doubtful advances	25.69	25.69
	3,799.85	**4,523.95**

Notes to the standalone financial statements

for the year ended March 31, 2020

Break up of financial assets carried at amortised cost

₹ in lakhs

	Non-current		Current	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Investments (Refer note 3)	8,833.42	7,634.55	-	-
(Excluding investments in subsidiaries and joint venture)				
Loans (Refer note 4 and note 13)	612.71	580.22	116.90	72.61
Trade receivable (Refer note 10)	-	-	12,419.46	8,352.07
Cash and cash equivalent (Refer Note 11)	-	-	2,651.90	1,436.26
Bank balance other than cash and cash equivalents (Refer Note 12)	-	-	243.98	133.92
Other financial assets (Refer note 5 and 14)	2.25	3.17	1,924.94	522.84
Total financial assets carried at amortised cost	**9,448.38**	**8,217.94**	**17,357.18**	**10,517.70**

16 SHARE CAPITAL

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Authorised share capital		
294,200,000 (Previous year - 294,200,000) Equity shares of Re.1 each	2,942.00	2,942.00
3,000 (Previous year - 3,000) 8% Non-Cumulative Redeemable Preference shares of ₹ 100 each	3.00	3.00
	2,945.00	**2,945.00**
Issued share capital		
170,973,084 (Previous year - 177,548,084) Equity shares of Re. 1 each, fully paid-up	1,709.73	1,775.48
	1,709.73	**1,775.48**
Subscribed and Paid-up share capital		
170,973,084 (Previous year - 174,403,084) Equity shares of Re. 1 each, fully paid-up	1,709.73	1,744.03
Add: 3,145,000 (Previous year - 3,145,000) Equity shares forfeited	7.86	7.86
Less: 3,145,000 (Previous year - Nil) Equity shares forfeited Cancellation	(7.86)	-
Total	**1,709.73**	**1,751.89**

Notes:

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

	As at 31st March 2020		As at 31st March 2019	
	No. in lakhs	₹ in lakhs	No. in lakhs	₹ in lakhs
At the beginning of the period	1,744.03	1,744.03	1,744.03	1,744.03
Less: Share capital bought back	34.30	34.30	-	-
Outstanding at the end of the period	**1,709.73**	**1,709.73**	**1,744.03**	**1,744.03**

(b) Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of Re.1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Notes to the standalone financial statements

for the year ended March 31, 2020

During the year ended 31st March 2020, the amount of per share interim dividend paid as distribution to equity shareholders is ₹ 0.80 (Previous year - ₹ Nil).

The Company had cancelled 31,45,000 forfeited equity shares of ₹0.25/- each containing total amount of ₹ 7.86 lakhs of forfeited equity shares and the same was by approved by shareholders in the annual general meeting held on September 27, 2019 by way of ordinary resolution. The forfeited capital amount has been transferred to Capital reserve as per the applicable provisions of Companies Act, 2013.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	As at 31st March 2020	As at 31st March 2019
	No. in lakhs	No. in lakhs
Equity shares bought back by the Company	68.60	34.30

The Board of Directors, at its meeting held on May 24, 2019 had approved a proposal of the Company to buy-back its 34,30,000 fully paid–up equity shares of face value of Re. 1 each from the eligible equity shareholders of the company who have validly tendered their shares. The buy-back was offered to all eligible equity shareholders of the Company on proportionate basis through the "Tender offer" route in accordance with SEBI (Buy-back of Securities) Regulations, 2018. The Buyback of equity shares through the stock exchange commenced on June 07, 2019 and was completed on July 23, 2019 and the Company bought back and extinguished a total of 34,30,000 equity shares at a price of ₹ 350 per equity share, comprising of 1.97% of pre-buyback paid up equity share capital of the Company. The buyback resulted in a cash outflow of ₹ 12,005.00 lakhs (excluding transaction cost). The Company funded the Buyback from its General reserve. In accordance with Section 69 of the Companies Act, 2013, as at results approved for the half year ended September 30, 2019, the Company has credited 'Capital Redemption Reserve' with an amount of ₹ 34.30 lakhs, being amount equivalent to the nominal value of the Equity Shares bought back as an appropriation from General Reserve.

(d) Details of shareholders holding more than 5% shares in the Company

	As at 31st March 2020		As at 31st March 2019	
	No.of Shares	%	No.of Shares	%
Equity shares of Re.1 each fully paid				
Meera Ramdas Chandavarkar	33,043,676	19.33	33,624,370	19.28
Sandhya Mohan Chandavarkar Trust	18,702,799	10.94	19,031,473	10.91
Mohan Anand Chandavarkar Trust	18,378,643	10.75	18,701,621	10.72
Leo Advisors Private Limited	15,589,673	9.12	15,863,730	9.10
Virgo Advisors Private Limited	10,393,272	6.08	10,575,918	6.06
Ameya Ashok Chandavarkar	10,358,940	6.06	10,540,983	6.04

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes to the standalone financial statements

for the year ended March 31, 2020

17 OTHER EQUITY

₹ in lakhs

		As at 31st March 2020	As at 31st March 2019
Capital redemption reserve			
Opening balance		34.30	34.30
Add: Transfer from General Reserve on buyback of Equity Shares		34.30	-
Closing balance	**(A)**	**68.60**	**34.30**
Capital reserve			
Opening balance		-	-
Add: Cancellation of forfeited Equity Shares		7.86	-
Closing balance	**(B)**	**7.86**	**-**
General reserve			
Opening balance		31,955.84	31,955.84
Less: Premium paid on buyback of Equity Shares		(11,970.70)	-
Less: Transfer to Capital Redemption Reserve on buyback of Equity Shares		(34.30)	-
Closing balance	**(C)**	**19,950.84**	**31,955.84**
Retained earnings			
Opening balance		109,557.38	92,442.48
Add: Profit for the year		24,677.86	17,153.63
Less: Remeasurement losses of defined benefit plans		(273.59)	(38.73)
Less: Expenses relating to buyback of Equity shares *		(107.31)	-
Less: Dividend on Equity Shares (including Dividend distribution tax)		(1,370.45)	-
Add: Excess DDT paid adjusted against oustanding demand		38.15	-
Closing balance	**(D)**	**132,522.04**	**109,557.38**
Other comprehensive income			
Opening balance		4.82	55.22
Less: Net loss on Equity Shares carried at fair value through OCI		(82.04)	(50.40)
Closing balance	**(E)**	**(77.22)**	**4.82**
	Total (A+B+C+D+E)	**152,472.12**	**141,552.34**

* Refer note 16

Nature and purpose of Reserves

(a) Capital redemption reserve

As per Companies Act, 2013, Capital redemption reserve is created when Company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.

(b) Capital reserve

As per Companies Act, 2013, Capital reserve is created when Company cancelled its own shares.

(c) Securities premium

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

Notes to the standalone financial statements

for the year ended March 31, 2020

(d) General reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by the transfer from one component of equity to another and is not item of other comprehensive income.

(e) Retained earnings

Retained earnings are the profits/ (losses) that the Company has earned till date, less any transfer to general reserve, dividends or other distribution paid to shareholders.

(f) Other comprehensive income

The Company has elected to recognise changes in the fair value of investments in equity instruments in other comprehensive income. These changes are accumulated within the FVTOCI equity investments within equity. The balance in other comprehensive income is transferred to retained earnings on disposal of the investment.

18 BORROWINGS

₹ in lakhs

	Non-current	
	As at 31st March 2020	**As at 31st March 2019**
Deferred sales tax loans (unsecured) (Refer note below)	49.01	60.45
Less: Amount disclosed under "other financial liabilities" (Refer note 23)	14.65	11.44
	34.36	**49.01**

Note: Under various schemes of Government of Maharashtra, the Company was entitled to interest free Sales Tax deferral incentives for its units at Waluj and Sinnar. These are repayable in annual instalments over a period of 9-13 years commencing after a period of 10-12 years from the year of availment of deferred sales tax loan.

19 LEASE LIABILITIES

₹ in lakhs

	Non-current	
	As at 31st March 2020	**As at 31st March 2019**
Lease liabilities	1,458.66	-
Less: Amount disclosed under "other financial liabilities" (Refer note 23)	529.97	-
	928.69	**-**

20 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

	Non-current	
	As at 31st March 2020	**As at 31st March 2019**
Equalisation of lease rent	-	138.60
	-	**138.60**

Notes to the standalone financial statements

for the year ended March 31, 2020

21 DEFERRED TAX LIABILITIES (NET)

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Deferred tax liability		
Depreciation	**1,601.92**	**2,332.60**
Less: Deferred tax asset		
Provision for doubtful debts/advances	34.62	51.75
Provision for Impairment of receivables from FDC SA (Pty) Ltd.	117.88	138.76
Liabilities disallowed under section 43B of IT Act,1961	528.79	780.60
Expenses debited in statement of profit and loss but allowed for tax purpose in the following year	-	28.99
	681.29	**1,000.10**
Net deferred tax liability	**920.63**	**1,332.50**

22 TRADE PAYABLES

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Total outstanding dues of micro and small enterprises	1,810.68	1,188.21
Total outstanding dues of creditors other than micro and small enterprises	9,943.72	6,531.65
	11,754.40	**7,719.86**

Note :

(A) Disclosure under the Micro, Small and Medium enterprises Development Act, 2006 is provided as under for the year 2019-20, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act :

₹ in lakhs

		As at 31st March 2020	As at 31st March 2019
(a)	The principal amount remaining unpaid to any supplier due at end of each accounting year	111.04	39.17
(b)	The interest due on the amount remaining unpaid to any supplier at end of each accounting year	4.74	1.09
(c)	The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(d)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(e)	The amount of interest accrued and remaining unpaid at the end of the year	4.74	1.09
(f)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of its suppliers.

Notes to the standalone financial statements

for the year ended March 31, 2020

(B) Terms and conditions of the creditors other than Micro and small enterprises:

Trade Payables are non interest bearing and are normally settled on 30-360 days terms.

23 OTHER FINANCIAL LIABILITIES

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Other financial liabilities carried at amortised cost		
Current maturities of long-term borrowings (Refer note 18)	14.65	11.44
Current maturities of finance lease obligation (Refer note 19)	529.97	-
Unpaid dividend (Refer note below)	215.41	108.23
Sundry deposits	1,238.42	1,149.92
Employee benefit payable	3,962.51	3,219.82
Due to directors	716.41	416.57
Equalisation of lease rent	-	13.50
Book Overdraft	-	12.49
Others payables (includes disputed liabilities, trade advances, etc.)	657.98	588.54
	7,335.35	**5,520.51**

Note:- There are no amounts due and outstanding to be credited to Investor Education and Protection Fund. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection fund.

24 OTHER CURRENT LIABILITIES

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Advance from customers	269.79	201.77
Statutory dues payable	348.15	366.22
	617.94	**567.99**

25 PROVISIONS

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
For employee benefits (Refer note 44)	1,713.27	1,010.01
For others	1,710.58	1,504.25
	3,423.85	**2,514.26**

₹ in lakhs

	Gratuity benefits	Compensated absences	Sales returns	Total
Balance as on 1st April 2019	(91.27)	1,101.28	1,504.25	2,514.26
Provision made during the year	202.01	370.01	2,266.38	2,838.40
Remeasurement losses of defined benefit plans	365.60	-	-	365.60
Provision utilised during the year	(3.68)	(230.68)	(2,060.05)	(2,294.41)
Balance as on 31st March 2020	**472.66**	**1,240.61**	**1,710.58**	**3,423.85**
Current	**472.66**	**1,240.61**	**1,678.18**	**3,391.45**
Non-current	**-**	**-**	**32.40**	**32.40**

Notes to the standalone financial statements

for the year ended March 31, 2020

₹ in lakhs

	Gratuity benefits	Compensated absences	Sales returns	Total
Balance as on 1st April 2018	325.13	977.81	1,490.00	2,792.94
Provision made during the year	214.07	369.53	1,558.47	2,142.07
Remeasurement losses of defined benefit plans	59.53	-	-	59.53
Provision utilised during the year	(690.00)	(246.06)	(1,544.22)	(2,480.28)
Balance as on 31st March 2019	**(91.27)**	**1,101.28**	**1,504.25**	**2,514.26**
Current	**(91.27)**	**1,101.28**	**1,465.25**	**2,475.26**
Non-current	**-**	**-**	**39.00**	**39.00**

26 CURRENT TAX LIABILITIES (NET)

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Tax payable [Net of Income tax paid - ₹ 31,775.70 lakhs and (Previous year ₹ 31,737.56 lakhs)]	1,361.87	1,400.02
	1,361.87	**1,400.02**

Income tax expense recognised in Statement of Profit and Loss

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Current tax		
Current tax on profits for the year	8,280.00	6,660.00
Deferred tax	(411.87)	(183.73)
	7,868.13	**6,476.27**

Income tax expense recognised in other comprehensive income

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Tax on remeasurement losses of defined benefit plans	92.01	20.80
	92.01	**20.80**

Income tax expense reconciliation

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Profit before tax	32,545.99	23,629.90
Applicable tax rate	25.168%	34.944%
Tax as per applicable tax rate	8,191.17	8,257.23
Tax on income not considered for tax purpose	708.72	(584.49)
Tax effect on exempt income	(850.94)	(475.78)
Tax incentives	(108.49)	(623.79)
Tax on additional allowances for capital loss/ (gain)	296.49	(120.82)
Tax impact of change in rates on opening deferred tax liabilities	(372.78)	-
Others (net)	3.96	23.92
Income tax expense charged to the Statement of Profit and Loss	**7,868.13**	**6,476.27**

Notes to the standalone financial statements

for the year ended March 31, 2020

Deferred tax income recognised in Statement of Profit and Loss

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Increase/ (decrease) in Deferred tax liability		
Depreciation	(730.68)	(29.77)
	(730.68)	**(29.77)**
Less: Increase/ (decrease) in Deferred tax asset		
Provision for doubtful debts/ advances	(17.13)	5.36
Provision for Impairment of receivables from FDC SA (Pty) Ltd.	(20.88)	138.76
Liabilities disallowed under Section 43B of the IT Act, 1961	(251.81)	134.67
Expenses debited in statement of profit and loss but allowed for tax purpose in the following year	(28.99)	(124.83)
	(318.81)	**153.96**
Net deferred tax income recognised in Statement of Profit and Loss	**(411.87)**	**(183.73)**

Break up of financial liabilities carried at amortised cost

₹ in lakhs

	Non-current		Current	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Borrowings (Refer note 18 and note 23)	34.36	49.01	14.65	11.44
Lease liabilities (Refer note 19 and note 23)	928.69	-	529.97	-
Trade payables (Refer note 22)	-	-	11,754.40	7,719.86
Other financial liabilities (Refer note 20 and note 23)	-	138.60	6,790.73	5,509.07
Total financial liabilities carried at amortised cost	**963.05**	**187.61**	**19,089.75**	**13,240.37**

27 REVENUE FROM OPERATIONS

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Sale of products (Refer note 47)	132,264.48	106,768.26
Other operating revenue (Refer note 47)	844.82	819.14
	133,109.30	**107,587.40**
Other operating revenue		
Export incentive	677.20	580.71
Other miscellaneous receipts	167.62	238.43
	844.82	**819.14**

Notes to the standalone financial statements

for the year ended March 31, 2020

28 OTHER INCOME

₹ in lakhs

		For the year ended 31st March 2020	For the year ended 31st March 2019
a)	**Interest income on financial asset carried at amortised cost**		
	Current investments	41.44	17.73
	Non-current investments	632.36	307.12
	Others (Refer note below)	93.91	219.39
b)	**Dividend Income on**		
	Current investments	3,271.52	1,248.43
	Non-current investments	1,356.55	1,104.47
c)	**Others**		
	Net gain on sale of investments	-	345.74
	Fair value gain on financial instruments at fair value through profit or loss	-	1,672.64
	Net exchange gain on foreign currency transactions	659.63	267.17
	Net gain on disposal of property, plant and equipment	1,767.13	21.44
	Other non operating income (Includes rental income, miscellaneous provisions written back)	443.21	275.85
		8,265.75	**5,479.98**

Note: Interest on others includes interest on inter corporate deposits, fixed deposits, interest on income tax refunds, interest on delayed payments from debtors etc.

29 COST OF MATERIALS CONSUMED

(Raw materials and Packing materials)

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Inventory at the beginning of the year	5,807.93	6,692.60
Add: Purchases	37,974.82	29,112.69
	43,782.75	**35,805.29**
Less: Inventory at the end of the year	9,944.83	5,807.93
	33,837.92	**29,997.36**

Notes to the standalone financial statements

for the year ended March 31, 2020

30 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Inventory at the end of the year		
Finished goods	7,778.76	7,966.28
Stock in trade	1,573.27	1,329.89
Work-in-progress	1,652.44	2,169.30
	11,004.47	**11,465.47**
Inventory at the beginning of the year		
Finished goods	7,966.28	6,172.41
Stock in trade	1,329.89	1,218.98
Work-in-progress	2,169.30	1,881.42
	11,465.47	**9,272.81**
	461.00	**(2,192.66)**
Changes in Inventories		
Finished goods	187.52	(1,793.87)
Stock in trade	(243.38)	(110.91)
Work-in-progress	516.86	(287.88)
	461.00	**(2,192.66)**

31 EMPLOYEE BENEFITS EXPENSE

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Salaries, wages and bonus (Refer note 44)	25,066.08	20,409.42
Contribution to provident and other funds (Refer note 43 and 44)	1,723.77	1,515.67
Staff welfare expenses	828.51	694.25
	27,618.36	**22,619.34**

32 FINANCE COSTS

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest expense	301.70	107.58
Bank charges	39.79	35.61
	341.49	**143.19**

33 DEPRECIATION AND AMORTISATION EXPENSE

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Depreciation on property, plant and equipment and right-of-use assets	3,537.12	3,141.94
Amortisation of intangible assets	199.21	171.83
	3,736.33	**3,313.77**

Notes to the standalone financial statements

for the year ended March 31, 2020

34 OTHER EXPENSES

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Processing charges	1,378.75	1,292.12
Power, fuel and water charges	2,737.88	2,459.60
Repairs and maintenance		
Building	384.96	663.93
Plant and Machinery	688.38	711.92
Others	1,039.67	1,072.35
Labour contract expenses	1,512.57	1,253.08
Stores and spares	1,104.82	1,225.42
Pharma miscellaneous expenses	2,212.22	1,880.96
Rent (including lease rent) (Refer note 48)	1.51	543.72
Rates and taxes	96.47	80.82
Insurance	252.23	200.19
Travelling and conveyance	4,158.25	4,279.19
Communication expenses	255.47	231.99
Carriage, freight and forwarding	2,740.66	2,404.97
Advertisement and sales promotion	1,535.24	1,654.68
Publicity expenses	4,144.74	2,961.14
Sales tax/ Value added tax/ GST paid	275.18	177.46
Commission	774.48	696.12
Auditors' remuneration		
As audit fee	40.00	34.00
For other services	9.17	7.03
Out of pocket expenses	4.31	2.62
Legal and Professional Charges	894.97	470.30
Directors sitting fees	5.20	5.70
Allowances for credit loss	5.43	16.01
Provision for financial instruments	1,500.00	-
Provision for FDC SA (Refer note 46)	71.26	-
Donation	25.51	21.43
CSR expenditure (Refer note 50)	537.49	207.17
Loss on sale of investments (net)	1,178.04	-
Fair value loss on financial instruments	1,315.95	-
Miscellaneous expenses	3,798.78	3,961.26
	34,679.59	**28,515.18**

35 EARNING PER SHARE (EPS)

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Profit for the year (₹ in lakhs)	24,677.86	17,153.63
Weighted average number of shares	172,044,372	174,403,084
Nominal value per share (₹)	1.00	1.00
Earning per share - Basic (₹)	14.34	9.84
- Diluted (₹)	14.34	9.84

Notes to the standalone financial statements

for the year ended March 31, 2020

36 COMPONENTS OF OTHER COMPREHENSIVE INCOME

During the year ended 31st March 2020

₹ in lakhs

	Retained Earnings	FVTOCI reserve	Total
Remeasurement losses of defined benefit plans	(365.60)	-	(365.60)
Tax on remeasurement losses of defined benefit plans	92.01	-	92.01
Loss on FVTOCI financial assets (net)	-	(82.04)	(82.04)
	(273.59)	**(82.04)**	**(355.63)**

During the year ended 31st March 2019

₹ in lakhs

	Retained Earnings	FVTOCI reserve	Total
Remeasurement losses of defined benefit plans	(59.53)	-	(59.53)
Tax on remeasurement losses of defined benefit plans	20.80	-	20.80
Loss on FVTOCI financial assets (net)	-	(50.40)	(50.40)
	(38.73)	**(50.40)**	**(89.13)**

37 DIVIDEND DISTRIBUTION PAID

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
The following dividends on Equity shares were declared and paid by the Company during the year:		
Interim dividend for the year ended 31st March 2020 - 0.80 per equity share (Previous year- Nil per equity share)	1,367.78	-
Tax on interim dividend	2.67	-
	1,370.45	**-**

38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES :

Risk Management is an integral part of the Company's plans and operations. While the Company has a proven ability to successfully take on challenges, the efforts are to become even more proactive in recognising and managing risks, through an organized framework. The Company recognises risk management as an integral component of good corporate governance and fundamental in achieving it's strategic and operational objectives.

The Company, through its Board of Directors, has constituted a Risk Management Committee, consisting of majority of Board members. The Board has defined the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the Risk Management plan, to the Committee, and such other functions as it may deem fit.

Market Risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include deposits, FVTOCI investments and FVTPL investments.

The Company has designed risk management framework to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

Notes to the standalone financial statements

for the year ended March 31, 2020

Interest rate risk :

Interest rate risk is the loss of fair value of future earnings of financial instruments because of changes in market interest rates. Investment committee manages and constantly reviews the interest rate movements in the market in order to optimise the company's interest income. The Company does not have any exposure to any interest bearing debt instruments.

Foreign Currency Risk :

Foreign currency risk is the loss of fair value of future earnings of financial instruments because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in USD rate, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

	Change in USD rate	Effect on profit before tax (₹ in lakhs)	Effect on Equity (₹ in lakhs)
31st March 2020	**+1%**	**57.78**	**43.24**
	-1%	**(57.78)**	**(43.24)**
31st March 2019	+1%	36.58	23.92
	-1%	(36.58)	(23.92)

Credit Risk :

Credit risk is the risk of possible default by the counter party resulting in a financial loss. The Company manages its credit risk through various internal policies and procedure set forth for effective control over credit exposure. Major credit risk at the reporting date is from trade receivables. Trade receivables are managed by way of setting various parameters like credit limit, evaluation of financial condition before supply, supply terms, industry trends, ageing analysis.

Liquidity Risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities.

39 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Liquidity Risk:

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

₹ in lakhs

	As at 31st March 2020			As at 31st March 2019		
	Less than 1 year	More than 1 year	Total	No.of Shares	More than 1 year	Total
Trade payables	11,754.40	-	11,754.40	7,719.86	-	7,719.86
Borrowings	14.65	34.36	49.01	11.44	49.01	60.45
Lease Liabilities	529.97	928.69	1,458.66	-	-	-
Other Financial Liabilities	6,790.73	-	6,790.73	5,509.07	138.60	5,647.67

Notes to the standalone financial statements

for the year ended March 31, 2020

40 FINANCIAL INSTRUMENTS

Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

The carrying value and fair value of financial instruments by categories as at Balance sheet date were as follows:

₹ in lakhs

	Carrying Value		Fair Value	
	As at 31st March 2020	**As at 31st March 2019**	**As at 31st March 2020**	**As at 31st March 2019**
Financial assets:				
FVTOCI financial investments	73.27	155.31	73.27	155.31
FVTPL financial investments	57,548.90	50,713.60	57,548.90	50,713.60
Total	**57,622.17**	**50,868.91**	**57,622.17**	**50,868.91**

The management assessed that cash and cash equivalents, trade receivables, loans, trade payables, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of quoted equity instruments are derived from quoted market prices in active markets.

Reconciliation of fair value measurement of equity shares classified as FVTOCI assets:

	Total ₹ in lakhs
As at 1st April 2018	55.22
Re-Measurement recognised in OCI	(50.40)
As at 31st March 2019	4.82
Re-Measurement recognised in OCI	(82.04)
As at 31st March 2020	**(77.22)**

Fair Value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly unobservable.

Notes to the standalone financial statements

for the year ended March 31, 2020

The following table represents the fair value hierarchy of Financial assets measured at fair value as on 31st March 2020 :

₹ in lakhs

Financial assets	As at 31st March 2020	Fair Value measurement at end of reporting period		
		Level 1	Level 2	Level 3
Investments				
Mutual Funds	57,145.50	57,145.50	-	-
Non-Convertible debentures	403.40	-	403.40	-
Quoted equity Instruments	72.64	72.64	-	-
Unquoted equity Instruments	0.63	-	-	0.63
Total	**57,622.17**	**57,218.14**	**403.40**	**0.63**

The following table represents the fair value hierarchy of Financial assets measured at fair value as on 31st March 2019 :

₹ in lakhs

Financial assets	As at 31st March 2019	Fair Value measurement at end of reporting period		
		Level 1	Level 2	Level 3
Investments				
Mutual Funds	50,313.40	50,313.40	-	-
Non-Convertible debentures	400.20	-	400.20	-
Quoted equity Instruments	154.68	154.68	-	-
Unquoted equity Instruments	0.63	-	-	0.63
Total	**50,868.91**	**50,468.08**	**400.20**	**0.63**

There have been no transfers between Level 1 and Level 2 during the period.

41 CAPITAL MANAGEMENT

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31st March 2020 and 31st March 2019.

The Company maintains a strong capital base and the primary objective of Company's capital management is to maximise the shareholder value.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents. Based on this, Company is a debt free Company and would like to remain debt free.

The Company does not have any interest bearing loans and borrowings in the current year as well as previous year.

Notes to the standalone financial statements

for the year ended March 31, 2020

42. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):

₹ in lakhs

		As at 31st March 2020	As at 31st March 2019
Contingent Liabilities			
a.	Disputed tax matters		
	Income tax (Appealed by the Company)	1,573.19	926.81
	GST (Appealed by the Company)	4.49	-
	Excise duty (Appealed by the Company)	-	140.21
	Sales Tax (Appealed by the Company)	117.90	120.46
b.	In respect of guarantees given by banks	534.93	348.48
c.	Letter of credit issued by bankers	254.02	67.64
d.	Estimated amount of duty payable on export obligation against oustanding advance licences	62.26	31.59
e.	During the year 2013-14, the Company had received notices of demand (including interest) from the National Pharmaceutical Pricing Authority, Government of India, on account of alleged overcharging in respect of certain formulations under the Drugs (Prices Control) Order, 1995. The Company had filed writ petition before the Hon'ble Supreme Court of India for stay of demand and other matters. The Hon'ble Supreme Court then passed order restraining the Government from taking any coercive action against the Company. The said Writ petition was disposed of in July 2016, with a liberty to the Writ Petitioners to approach the appropriate High Courts for relief, challenging the impugned demand notice issued by Union of India. The Company has filed a writ petition with Delhi High Court in August 2016 for which the Company has deposited 50% of overcharged amount with NPPA. The Company has also simultaneously filed a revision petition with NPPA, hence no provision is considered necessary in respect of the amount majorly being the interest component.	575.02	559.29
Commitments			
Estimated amount of capital contracts remaining to be executed and not provided for (net of advances paid)		1,156.36	894.59

Note:

The Company's pending litigations comprise of proceedings pending with Income Tax, Excise, Sales Tax Authorities, GST authorities and National Pharmaceutical Pricing Authority of India. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statement. In respect of litigations, where the management assessment of a financial outflow is probable, the Company has made a provision of ₹ 2,250.00 lakhs as at 31st March 2020 (Previous year - ₹ 2,250.00 lakhs).

43 CONTRIBUTION TO PROVIDENT FUND AS PER SUPREME COURT JUDGMENT

The proposed Social Security Code, 2019, when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act and amend the definition of wages on which the organisation and its employees are to contribute towards Provident Fund. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the proposed amendments. Additionally, there is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Hon. Supreme Court vide its ruling in February 2019, in relation to the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. The Company will evaluate its position and act, as clarity emerges.

Notes to the standalone financial statements

for the year ended March 31, 2020

44 DISCLOSURE OF EMPLOYEE BENEFITS:

As per Ind AS 19 -"Employee Benefits", the disclosures as required by the Accounting Standard are given below :

Defined Contribution Plan

Contribution to Defined Contribution Plans are recognised as an expense for the year under Contribution to provident and other funds (Refer Note 30) as under:-

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Employer's Contribution to Provident Fund	531.91	425.90
Employer's Contribution to Pension Scheme	620.03	451.17
Employer's Contribution to Superannuation Fund	74.03	67.91

Defined Benefit Plan

The employees' gratuity fund scheme managed by trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The Company irrevocably contributes funds to a separate Gratuity Trust which is recognised by Income Tax authorities.

₹ in lakhs

		Gratuity	
		Funded Plan	
		As at 31st March 2020	As at 31st March 2019
I.	**Change in Benefit Obligation**		
	Liability at the beginning of the year	2,173.29	1,914.93
	Interest Cost	151.26	137.49
	Current Service Cost	208.36	190.73
	Past Service Cost	-	-
	Benefit Paid	(238.09)	(159.54)
	Actuarial (gain)/ loss arising from changes in demographic assumpations	-	(24.95)
	Actuarial (gain)/ loss arising from changes in financial assumptions	155.87	112.55
	Actuarial (gain)/ loss arising from changes in experience adjustments	225.58	2.08
	Liability at the end of the year	**2,676.27**	**2,173.29**
II.	**Fair Value of Plan Assets**		
	Fair Value of Plan Assets at the beginning of the year	2,264.56	1,589.80
	Interest income	157.61	114.15
	Contributions	3.68	690.00
	Benefit Paid	(238.09)	(159.54)
	Return on plan assets, Excluding interest income	15.85	30.15
	Fair Value of Plan Assets at the end of the year	**2,203.61**	**2,264.56**
III.	**Amount recognised in the Balance Sheet**		
	Liability at the end of the year	(2,676.27)	(2,173.29)
	Fair Value of Plan Assets at the end of the year	2,203.61	2,264.56
	Amount recognised in the Balance Sheet	**(472.66)**	**91.27**

Notes to the standalone financial statements

for the year ended March 31, 2020

₹ in lakhs

		Gratuity Funded Plan	
		As at 31st March 2020	As at 31st March 2019
IV.	**Net Interest Cost for Current Period**		
	Interest Cost	151.26	137.49
	Interest Income	(157.61)	(114.15)
	Net Interest Cost for Current Period	**(6.35)**	**23.34**
V.	**Expenses recognised in the Statement of Profit and Loss**		
	Current Service Cost	208.36	190.73
	Net Interest Cost for Current Period	(6.35)	23.34
	Past Service Cost	-	-
	Expense recognised in the Statement of Profit and Loss	**202.01**	**214.07**
VI.	**Expenses recognised in the Other Comprehensive Income (OCI)**		
	Actuarial (gain)/loss on Obligation for the period	381.45	89.68
	Return on Plan Assets, Excluding Interest Income	(15.85)	(30.15)
	Net Expense recognised in the OCI	**365.60**	**59.53**
VII.	**Investment Details**		
	Government of India Assets	112.27	112.27
	Corporate Bonds	-	15.00
	Debt Instruments	579.74	619.92
	State Government	1,257.22	1,299.30
	Equity	166.87	166.87
	Others	87.51	51.20
	Total	**2,203.61**	**2,264.56**
VIII.	**Actuarial Assumptions**		
	Discount Rate Current	5.76%	6.96%
	Rate of Return on Plan Assets Current	5.76%	6.96%
	Employee Attrition rate-Field	20 to 40%	20 to 40%
	Employee Attrition rate-others	10 to 30%	10 to 30%
	Salary Escalation Current	8.00%	8.00%
IX.	**Maturity Analysis of Projected Benefit Obligation from the Fund**		
	Projected Benefits payable in future years from the date of reporting		
	Within the next 12 months	379.05	376.34
	Between 2 and 5 years	1,229.86	1,001.00
	Sum of Years 6 To 10 years	1,099.37	960.24
	Sum of Years 11 and above	1,122.72	921.26
X.	**Sensitivity Analysis for significant assumptions**		
	Benefit obligation as at the end of the year	2,676.27	2,173.29
	Increase/(decrease) in Present Value of Benefit Obligations as at the endof the year :		
	Effect of +1% change in Rate of Discounting	(131.25)	(97.22)
	Effect of -1% change in Rate of Discounting	146.55	107.68
	Effect of +1% change in Rate of Salary Increase	134.42	99.23
	Effect of -1% change in Rate of Salary Increase	(123.68)	(92.14)
	Effect of +1% change in Rate of Employee Turnover	(22.36)	(9.01)
	Effect of -1% change in Rate of Employee Turnover	24.26	9.55

Notes to the standalone financial statements

for the year ended March 31, 2020

XI. Salary Escalation Rate

The estimates of future supply increase considered in actuarial valuation is taken on account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

XII. Basis used to determine Rate of Return on Plan Assets

The rate of return on Plan Assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

XIII. The Company expects to contribute ₹ 762.08 lakhs to gratuity in next year (Previous year - ₹ 117.09 lakhs).

The liability for Leave Encashment as at the year end is ₹ 1,109.41 lakhs (Previous year - ₹ 990.15 lakhs) and provision for sick leave as at the year end is ₹ 131.20 lakhs (Previous year – ₹111.13 lakhs).

45 SEGMENT INFORMATION:

Primary segment information

The Company is engaged in pharmaceutical business which as per Ind AS 108 - "Operating Segments" is considered the only business segment.

Secondary segment information

The Company's operating divisions are managed from India. The principal geographical areas in which the Company operates are India and others. The country-wise segmentation is not relevant as exports to individual countries are not more than 10% of enterprise revenue.

The information related to secondary segment is as under:

₹ in lakhs

Particulars		India	Others	Total
Segment Revenue	**2019-2020**	**107,185.60**	**25,923.70**	**133,109.30**
	2018-2019	90,334.14	17,253.26	107,587.40
Carrying amount of Non-Current Assets by	**31st March 2020**	**69,777.13**	**-**	**69,777.13**
location of assets	31st March 2019	69,637.82	-	69,637.82

Non Current Assets for this purpose consists of Property, plant and equipment, Right -of -use assets, Capital work-in-progress, Intangible assets and Other non current Assets.

The Company does not have any customer with whom revenue from transactions is more than 10% of Company's total revenue.

Notes to the standalone financial statements

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46. RELATED PARTY DISCLOSURES, AS REQUIRED BY IND AS 24 - "RELATED PARTY DISCLOSURES" ARE GIVEN BELOW:

Names of Related parties where control exists irrespective of whether transactions have occurred or not :

Subsidiary Companies

- FDC International Limited
- FDC Inc.

Joint Venture Entity

- Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.

Names of other related parties with whom transactions have taken place during the year :

Managerial Personnel

- Mr. Mohan A. Chandavarkar	Managing Director
- Mr. Ashok A. Chandavarkar	Executive Director
- Mr. Nandan M. Chandavarkar	Joint Managing Director
- Mr. Ameya A. Chandavarkar	Executive Director
- Ms. Nomita R. Chandavarkar	Executive Director
- Dr. Rahim H. Muljiani (Resigned w.e.f. 01.04.2019)	Independent Director
- Dr. Satish S. Ugrankar (Resigned w.e.f. 01.04.2019)	Independent Director
- Mr. Vinod G. Yennemadi (Resigned w.e.f. 01.04.2019)	Independent Director
- Ms. Swati S. Mayekar	Independent Director
- Mr. Uday Kumar Gurkar	Chairman and Independent Director
- Dr. Mahesh Bijlani (Appointed w.e.f. 10.05.2019)	Independent Director
- Mr. M. G. Parmeswaran (Appointed w.e.f. 10.05.2019)	Independent Director
- Ms. Usha Chandrashekhar(Appointed w.e.f. 10.05.2019)	Independent Director
- Mr. Sanjay Jain	Chief Financial Officer
- Ms. Varsharani Katre	Company Secretary

Relatives of Managerial Personnel

- Ms. Sandhya M. Chandavarkar, wife of Mr. Mohan A. Chandavarkar
- Ms. Mangala A. Chandavarkar, wife of Mr. Ashok A. Chandavarkar
- Ms. Meera R. Chandavarkar, mother of Ms. Nomita R. Chandavarkar
- Ms. Aditi C. Bhanot, daughter of Mr. Ashok A. Chandavarkar

Enterprises owned or significantly influenced by Managerial Personnel or their relatives

- Anand Chandavarkar Foundation
- Leo Advisors Private Limited
- Virgo Advisors Private Limited
- SFA Events Private Limited
- Shree Trust
- Sandhya Mohan Chandavarkar Trust
- Mohan Anand Chandavarkar Trust

Post-employment benefit plans:

- FDC Employees Gratuity Fund
- FDC Employees Superannuation Fund

Notes to the standalone financial statements

for the year ended March 31, 2020

Nature of transactions:

₹ in lakhs

		For the year ended 31st March 2020	For the year ended 31st March 2019
1	**Sale of goods**		
	FDC International Limited	655.97	1427.64
2	**Interest income**		
	Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.	22.94	16.12
3	**Dividend Income**		
	FDC International Ltd.,UK	1,354.80	1102.60
4	**Donation paid**		
	Anand Chandavarkar Foundation	25.00	20.00
5	**Corporate Social Responsibility**		
	Shree Trust	425.00	75.00
6	**Sales Promotional expenses incurred**		
	SFA Events Private Limited	19.79	22.15
7	**Managerial remuneration***		
	Mr. Mohan A. Chandavarkar	355.86	218.95
	Mr. Ashok A. Chandavarkar	196.75	148.75
	Mr. Nandan M. Chandavarkar	272.34	174.68
	Mr. Ameya A. Chandavarkar	179.91	121.16
	Ms. Nomita R. Chandavarkar	78.61	58.79
	Dr. Rahim H. Muljiani	-	3.40
	Dr. Satish S. Ugrankar	-	2.45
	Mr. Vinod G. Yennemadi	-	3.40
	Ms. Swati S. Mayekar	3.55	3.40
	Mr. Uday Kumar Gurkar	3.55	3.05
	Dr. Mahesh Bijlani	2.60	-
	Mr. M G Parmeswaran	2.75	-
	Ms. Usha Athreya Chandrasekhar	2.75	-
	Mr. Sanjay Jain	84.53	70.77
	Ms. Varsharani Katre	25.90	23.67
		1,209.10	**832.47**
8	**Loan granted**		
	Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.	48.32	86.11
9	**Dividend on Equity shares paid**		
	Mr. Nandan M. Chandavarkar	42.10	-
	Mr. Ameya A. Chandavarkar	82.87	-
	Ms. Nomita R. Chandavarkar	43.93	-
	Ms. Meera R. Chandavarkar	264.35	-
	Ms. Aditi C. Bhanot	9.28	-
	Sandhya Mohan Chandavarkar Trust	149.62	-
	Mohan Anand Chandavarkar Trust	147.03	-
	Leo Advisors Pvt Ltd	124.72	-
	Virgo Advisors Pvt Ltd	83.15	-
	Mr. Sanjay Jain	0.01	-
		947.06	**-**

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for the year ended March 31, 2020

₹ in lakhs

		For the year ended 31st March 2020	For the year ended 31st March 2019
10	**Buyback of Shares**		
	Mr. Nandan M. Chandavarkar	323.66	-
	Mr. Ameya A. Chandavarkar	637.15	-
	Ms. Nomita R. Chandavarkar	337.75	-
	Ms. Meera R. Chandavarkar	2,032.43	-
	Ms. Aditi C. Bhanot	71.32	-
	Sandhya Mohan Chandavarkar Trust	1,150.46	-
	Mohan Anand Chandavarkar Trust	1,130.42	-
	Leo Advisors Pvt Ltd	958.88	-
	Virgo Advisors Pvt Ltd	639.26	-
		7,281.33	**-**

Note: * Including perquisites, contribution to Provident fund and other funds but excludes gratuity and compensated absences as the provision is computed for the Company as a whole and separate figures are not available.

Outstanding Amount of related parties

₹ in lakhs

		As at 31st March 2020	As at 31st March 2019
1	**Outstanding balances receivable against sales included in Trade Receivables**		
	FDC International Limited	286.15	120.82
2	**Outstanding balances against loans granted included in Current portion of Financial Assets -Loans**		
	Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.*	365.32	317.00
3	**Outstanding balances against interest on loans granted included in Current portion of Other Financial assets**		
	Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.*	73.33	50.39
4	**Outstanding Reimbursement of expense receivable included in Other Current Assets**		
	Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.*	18.42	18.42
5	**Outstanding balances payable included in Other Financial Liabilitie**		
	Mr. Mohan A. Chandavarkar	217.29	116.41
	Mr. Ashok A. Chandavarkar	144.34	92.20
	Mr. Nandan M. Chandavarkar	163.34	93.07
	Mr. Ameya A. Chandavarkar	126.82	69.57
	Ms. Nomita R. Chandavarkar	54.62	35.32
	Dr. Rahim H. Muljiani	-	2.00
	Dr. Satish S. Ugrankar	-	2.00
	Mr. Vinod G. Yennemadi	-	2.00
	Ms. Swati S. Mayekar	2.00	2.00
	Mr. Uday Kumar Gurkar	2.00	2.00
	Dr. Mahesh Bijlani	2.00	-
	Mr. M G Parmeswaran	2.00	-
	Ms. Usha Athreya Chandrasekhar	2.00	-
	Mr. Sanjay Jain	3.67	3.30
	Ms. Varsharani katre	1.53	1.44
		721.61	**421.31**

Notes to the standalone financial statements

for the year ended March 31, 2020

Terms and conditions of transactions with related parties

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

* For the year ended 31st March 2020, the Company has recorded for impairment of ₹ 71.26 lakhs receivables from Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd. relating to amounts owed by related parties (Previous year - ₹ 397.11 lakhs).

47 DISLOSURE UNDER IND AS 115 - REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company is engaged into manufacturing of Pharamaceutical products. There is no impact on the Company's revenue on applying Ind AS 115 from the contract with customers.

₹ in lakhs

		For the year ended 31st March 2020	For the year ended 31st March 2019
A)	**Disaggregation of revenue from contracts with customers**		
1)	**Revenue from contracts with customers**		
	Sale of products (transferred at point in time)		
	Domestic sales		
	Formulation	106,088.69	89,346.97
	Bulk Drugs	283.22	303.14
	Sub total (a)	**106,371.91**	**89,650.11**
	Export Sales		
	Formulation	13,377.09	9,883.35
	Bulk Drugs	4,856.43	5,108.21
		18,233.52	**14,991.56**
	Profit share - Formulation	**7,659.05**	**2,126.59**
	Sub total (b)	**25,892.57**	**17,118.15**
	Total (a+b)	**132,264.48**	**106,768.26**
2)	**Other operating revenue**		
	Export incentives	677.20	580.71
	Other miscellaneous receipts	167.62	238.43
		844.82	**819.14**
	Total Revenue	**133,109.30**	**107,587.40**
B)	**Sales by performance obligations**		
	Upon shipment	7,808.31	8,450.76
	Upon delivery	116,797.12	96,190.91
	Profit share – Formulation	7,659.05	2,126.59
		132,264.48	**106,768.26**
C)	**Reconciliation of revenue from contract with customer**		
	Revenue from contract with customer as per the contract price	135,720.77	109,396.15
	Adjustments made to contract price on account of :		
	a) Discounts/ Rebates/ Incentives/ late delivery charges	920.80	798.11
	b) Sales Returns /Credits / Reversals	2,535.49	1,829.78
	Revenue from contract with customer	**132,264.48**	**106,768.26**
	Other operating revenue	**844.82**	**819.14**
	Revenue from operations	**133,109.30**	**107,587.40**

Notes to the standalone financial statements

for the year ended March 31, 2020

48 DISCLOSURE UNDER IND AS 116 - LEASES

The Company's significant leasing arrangements are in respect of godowns/ office premises taken on operating lease basis. These leasing arrangements, which are cancellable, range between 1 year and 5 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. There are certain agreements which provide for increase in rent. There are no subleases. There are no contingent rents.

Effective 1st April, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on A 1st April, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings (₹Nil), on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments, discounted using the its incremental borrowing rate at the date of initial application, and the right-of-use asset at an amount equal to the lease liability, adjusted by the accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Comparatives as at and for the year ended 31st March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31st March 2019. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

2. Applied the exemption not to recognize right-of use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligation recorded as of 31st March, 2019 under Ind AS 17 disclosed in Annual Report and the value of the lease liability as of 1st April, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The interest rate applied to lease liabilities as at 1st April, 2019 is 8.95%.

A) Movement in the lease liabilities

(₹ In lakhs)

	As at 31st March 2020
Balance as on 1st April 2019	-
Additions	1,883.00
Interest expenses on lease liabilities (Refer note 32)	173.99
Payment of lease liabilities	(598.33)
Balance as on 31st March 2020	**1,458.66**

Notes to the standalone financial statements

for the year ended March 31, 2020

B) Maturity analysis of lease liabilities

(₹ In lakhs)

	As at 31st March 2020
Maturity analysis- Contractual undiscounted cash flows	
Within one year	661.92
After one year but not for more than five years	1,020.12
More than five year	-
Total undiscounted lease liabilities	**1,682.04**
Lease liabilities included in the statement of financial position	
Non- Current	928.69
Current	529.97
Total	**1,458.66**

C) Amount recognised in the statement of profit and loss

(₹ In lakhs)

	For the year ended 31st March 2020
Interest on lease liabilities (Refer note 32)	173.99
Depreciation on lease assets	481.14

49 EXCEPTIONAL ITEMS

The audited standalone financial statements for the year ended 31st March, 2019 includes an impairment loss of ₹ 397.11 lakhs towards investment made, loan given, other receivables from the joint venture, being excess of its carrying amount over the estimated recoverable amount considering the business outlook.

50 AMOUNT SPENT TOWARDS CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES ARE AS UNDER :

a. Gross amount required to be spent by the Company during the year is ₹ 455.79 lakhs (Previous year - ₹ 448.69 lakhs).

b. Amount spent during the year is given hereunder:

₹ in lakhs

Sr. No.	Particulars of Activity	For the year ended 31st March 2020	For the year ended 31st March 2019
(i)	Construction/ acquisition of any asset	-	-
(ii)	On purpose other than (i) above	537.49	207.17
	Total	**537.49**	**207.17**

Notes to the standalone financial statements

for the year ended March 31, 2020

51 DETAILS OF LOANS, INTER CORPORATE DEPOSIT AND INVESTMENTS AS REQUIRED UNDER SECTION 186(4) OF COMPANIES ACT 2013

₹ in lakhs

Particulars	As at 31st March 2020		As at 31st March 2019	
	Loan Given	Outstanding	Loan Given	Outstanding
Loan given to joint venture for working capital/ business operations				
- Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.* (repayable on demand)	48.32	365.32	86.11	317.00

Investments

Details required under section 186(4) have been disclosed in note 3 and 9 of financial statements

* For the year ended 31st March 2020, the Company has recorded for impairment of loan given to Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd. (Refer the note 46)

52 The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

53 The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Company has recognised tax expenses for the year ended 31st March, 2020 and re-measured its deferred tax liability basis the rate prescribed in the said section. Profit for the year is higher by ₹ 357.60 lakhs due to remeasurement of deferred tax liability recognised up to 31st March, 2020.

54 In March 2020, the World Health Organization declared COVID -19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption including remote working, maintaining social distancing, sanitization of work spaces etc. The Company has considered internal and external information while finalizing various estimates in relation to its financial statement upto the date of approval of the financial statements by the Board of Directors and has not identified any material impact on the carrying value of assets, liabilities or provisions. Considering that the Company deals with pharmaceutical drugs that are classified as essentials, there has been minimal disruption with respect to operations including production and distribution activities. The Company also has not experienced any difficulties with respect to market demand, collections or liquidity. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

As per our report of even date attached.

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

VIKAS R. KASAT
Partner
Membership No : 105317

Place : Mumbai
Date : June 17, 2020

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

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Place : Mumbai
Date : June 17, 2020