Notes to Financial Statements (Standalone)
For the year ended March 31, 2020

Corporate Information

Indoco Remedies Limited (the Company) is a Public Limited Company domiciled in India and incorporated under the provision of the Companies Act, VII of 1913. Its Shares are listed on two stock exchanges in India i.e Bombay Stock Exchange and National Stock Exchange. Indoco Remedies Limited is engaged in the manufacturing and marketing of Formulations (Finished Dosage Forms) and Active Pharmaceutical Ingredients (APIs). The Company caters to both domestic and International markets, Company has two wholly owned subsidiaries Xtend Industrial Designers and Engineers Pvt Ltd (formerly known as Indoco Industrial Designers & Engineers Pvt. Ltd.) and Indoco Remedies Czech sro.

1. Significant Accounting Policies followed by the Company

a) Basis of Preparation

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

These standalone financial statements were authorised for issue by the Company's Board of Directors on June 24, 2020.

(ii) Historical cost convention

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

- Certain financial assets and liabilities that are measured at fair value;
- Assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- Defined benefit plans - Plan assets measured at fair value;

(iii) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

(iv) Rounding of amounts

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

b) Use of estimates and judgements

The preparation of financial statements requires management of the Company to make estimates and assumptions that affect the reported assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Management at each reporting date reviews estimates and underlying assumptions. Actual results could differ from these estimates. Any revision of these estimates is recognise prospectively in the current and future periods.

Following are the critical judgements and estimates:

Critical judgments:

a Taxes on Income:

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions and possibility of utilisation of Minimum Alternate Tax [MAT] Credit in future.

b Employee benefits:

Significant judgments are involved in making estimates about the life expectancy, discounting rate, salary increase, etc. which significantly affect the working of the present value of future liabilities on account of employee benefits by way of defined benefit plans.

c Product warranty and expiry claims:

Significant judgments are involved in determining the estimated stock lying in the market with product shelf life and estimates of likely claims on account of expiry of such unsold goods lying with stockists.

d Impairment of property, plant and equipment

Significant judgment is involved in determining the estimated future cash flows from Property, Plant and Equipment to determine their value in use to assess whether there is any impairment in their carrying amounts as reflected in the financials.

e Contingent liabilities:

Significant judgment is involved in determining whether there is a possible obligation that may, but probably will not require an outflow of resources.

Critical estimates:

a Property, Plant and Equipment:

Property, Plant and Equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Management reviews the residual values, useful lives and methods of depreciation of Property, Plant and Equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

b Sales return

The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. Accordingly, the estimate of sales returns is determined primarily by the Company's historical experience in the markets in which the Company operates.

c) Segment Reporting

The Company has only one business segment i.e Pharmaceutical Products.

d) Foreign Currency Translation

(i) Functional and presentation currency

The Financial Statements are presented in Indian rupees (INR) which is the functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Profit or Loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of Profit and Loss on a net basis within other gains / (losses).

e) Revenue Recognition

The company derives major portion of its revenue from manufacturing and marketing of Formulations (Finished Dosage Forms) and Active Pharmaceutical Ingredients (APIs). Other sources of revenue include

Dossiers development, Analytical Studies and Bio-equivalent studies undertaken by the company on behalf of customers.

With effect from April 1, 2018, the company has adopted Ind AS 115, Revenue from Contracts with Customers. The company analysed the impact of Ind AS on incomplete contracts, if any and concluded that the effect of adoption of Ind AS 115 was insignificant.

Recognising revenue from major business activities

i. Sale of goods - FDF and API

Revenue from sale of FDF and API are recognised when the performance obligations are satisfied in accordance with Ind AS 115. Performance obligations are deemed to have been satisfied when substantial risk and rewards of ownership are transferred to the customer and the customer obtains control of the promised goods. In case of domestic sales, performance obligations are satisfied when goods are dispatched, or delivery is handed over to the transporter. In case of export sales, performance obligations are satisfied based on terms defined in the contracts. In case of Ex-works contracts, performance obligation is satisfied when goods are shipped or dispatched from the factory and in other cases when the goods are shipped on board based on Bill of Lading / Airway Bill or any other similar document evidencing delivery thereof.

ii. Revenue from services

Services provided include Dossiers development, Analytical Studies and Bio-equivalent studies undertaken by the company on behalf of customers.

The contracts with customers for Dossiers and study reports are fixed-price contracts. Revenue from such contracts, where the performance obligations are satisfied over time and where there is no significant uncertainty as to measurement or collectability of consideration, is recognised as per the percentage of completion method i.e. based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. The effect that the contract modification has on the transaction price, and on the entity's measure of progress towards complete satisfaction of the performance obligation, is recognised as an adjustment to revenue (either as an increase in or a reduction of revenue) at the date of the contract modification (i.e. the adjustment to revenue is made on a cumulative catch-up basis).

iii. Other operating revenue - Export incentives

Revenue from Export Incentives under various schemes is recognised when the performance obligations are satisfied i.e. when the related export sales are effected.

iv. Sales Return

The Company recognises provision for sales return, on the basis of past experience, measured on net basis of the margin of the sales. Any unutlilised provision for sales return is reversed to the Statement of Profit and Loss on completion of 3 years from the date of creation.

f) Government Grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Profit and Loss on a straight - line basis over the expected lives of related assets and presented within other income.

g) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax [MAT] paid in a year is charged to the Statement of Profit and Loss as current tax.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

h) Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Company; and
- Fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest’s proportionate share of the acquired entity’s net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

i) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

j) **Cash Flow Statements**

Cash flows are prepared using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of 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 flow from operating, investing and financing activities of company are segregated.

k) **Inventories**

Inventories of Raw Materials, work-in-progress, stores and spares, Finished Goods and Stock-in-trade are stated 'at cost or net realisable value, whichever is lower'. Goods-in-Transit are stated' at cost'. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulas used are-'Weighted Average Cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

l) **Non-Current Assets held for Sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal Company classified as held for sale continue to be recognised.

m) **Derivatives and Hedging Activities**

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

n) **Property, Plant and Equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

Asset Class	*Useful Life*
Building and Premises - Office	60 years
Building and Premises - Factory	30 years
Plant and Machinery	15 years
Handling Equipment	15 years
Pollution Control Equipment	10 years
Laboratory Equipment	10 years
R & D Equipment	10 years
Plant Utilities	15 years
Electric Installation	10 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Computers - Desktops, Laptop etc.	3 years
Computers - Servers and Networks	6 years
Networking Instrument	6 years
Air Conditioning Unit	15 years
Vehicles	8 years
Trade Mark	15 years
Technical Know How	10 years

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

o) Intangible Assets

(i) Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use it
- There is an ability to use the software
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use the software are available, and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

(ii) ANDA / DMFs / Dossiers

All revenue expenditure incurred till the development of ANDAs / DMFs / Dossiers etc. are grouped under intangible assets under development. Once the development is complete, the expenditures incurred on the said project is capitalised & grouped under "Intangible Assets" and amortised based on best estimated commercial revenue period, not exceeding 5 years. The carrying value of the capitalised project is reviewed for impairment annually.

(iii) Amortisation methods and periods

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

- Trade Mark/ Technical Knowhow 15 years
- Technical Knowhow 10 Years
- Computer software 3 years
- ANDA / DMF 5 years

p) Research and Development Expenditure

Research & Development costs of revenue nature are charged to Profit & Loss account when incurred, Expenditure of capital nature is capitalised and depreciation is provided on these assets as per the provisions of the Companies Act, 2013.

q) Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

r) Borrowing Costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

s) Provisions

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

t) 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.

A Financial Assets:

a **Initial recognition and measurement:** All financial assets are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset which are not at Fair Value through Profit and Loss Account are adjusted to fair value on initial recognition. Purchases or sales of financial assets are recognised on the settlement date i.e. the date that the Company settles to purchase or sell the asset.

b **Subsequent measurement:** For purposes of subsequent measurement, financial assets are classified in four categories:

i **Financial Assets measured at amortised cost:**

A 'financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held with an objective of collecting contractual cash flows
- Contractual terms of the asset give rise on specified dates to cash flows that are "solely payments of principal and interest" [SPPI] on the principal amount

outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate [EIR] method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of profit and loss.

ii Financial Assets at fair value through other comprehensive income [FVTOCI]:

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- The asset is held with objective of both for collecting contractual cash flows and selling the financial assets
- The asset's contractual cash flows represent SPPI.

Financial Assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii Financial Assets at fair value through profit or loss [FVTPL]:

Financial assets, which are not classified in any of the above categories are measured at FVTPL.

iv Equity instruments:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company has made such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized 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. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

v Investments in subsidiaries and joint ventures:

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint ventures, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss. Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries and joint ventures at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 1, 2015.

c Derecognition:

A financial asset [or, where applicable, a part of a financial asset] is primarily derecognised [i.e. removed from the Company's balance sheet] when:

(i) The rights to receive cash flows from the asset have expired, or

(ii) 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. When the Company has transferred the risks and rewards of ownership of the financial asset, the same is derecognised.

d 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:

i Financial assets that are debt instruments, and are measured at amortised cost

ii Trade receivables or any contractual right to receive cash or another financial asset

iii Financial assets that are debt instruments and are measured as at FVTOCI. The Company follows ‘simplified approach’ for recognition of impairment loss allowance on Point b above.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it requires the Company to recognise the 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. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive [i.e., all cash shortfalls], discounted at the original EIR. ECL impairment loss allowance [or reversal] is recognized as expense/ income 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 and 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, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount. For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics.

B Financial Liabilities:

a Initial recognition and measurement:

All financial liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

b **Subsequent measurement:**

Subsequently all financial liabilities are measured as amortised cost, using EIR method. Gains and losses are recognised in Statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit and loss.

c **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.

d **Embedded derivatives:**

An embedded derivative is a component of a hybrid [combined] instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of profit and loss, unless designated as effective hedging instruments.

C **Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

u) Fair Value Measurement

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:

a In the principal market for the asset or liability, or

b 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. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. 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:

a Level 1 — Quoted [unadjusted] market prices in active markets for identical assets or liabilities

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

c 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.

v) Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) Defined benefit plans such as gratuity

(b) Defined contribution plans such as provident fund and Superannuation

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund, Superannuation etc., are charged to the Statement of Profit and Loss as incurred.

w) Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(i) Earnings per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company

- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(ii) Dividends to shareholders

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by shareholders. Any interim dividend paid is recognised on approval by board of directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

x) Contingent Liabilities

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 beyond 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

y) Leases

The Company has adopted IND AS 116, "Leases", effective April 1, 2019, using modified retrospective approach.

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of lease payments that are not paid at the commencement date of the lease. The lease payment are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short term and low value leases, the Company recognises the lease payments as an operating expense on a straight line basis over the lease term.

NOTE 2: Use of Estimates and Judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Notes (Standalone)

on financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Note 3 : Property, Plant and Equipment

Particulars	*Land (Freehold)*	*Land (Leasehold)*	*Building & Premises*	*Plant & Machinery*	*Handling Equipments*	*Pollution Control Equipments*	*Laboratory Equipments*	*R&D Equipments*	*Plant - Utilities*	*Electrical Installations*	*Furniture & Fixtures*	*Office Equipments*	*Computers*	*Networking Instruments*	*Air conditioning units*	*Vehicles*	*Total*	*Capital Work in Progress*
Year ended March 31, 2019																		
Gross carrying amount																		
Opening gross carrying amount as at April 1, 2018	1,804.37	2,229.53	17,356.54	19,625.34	1,301.06	375.28	9,365.38	1,942.64	6,435.16	2,962.18	2,089.43	633.32	1,348.03	43.83	3,509.74	271.25	**71,293.08**	**7,577.64**
Additions	–	–	56.06	485.74	15.61	–	335.82	–	123.23	7.80	37.97	28.96	251.26	–	12.12	–	**1,354.57**	**7,298.16**
Assets capitalised during the year from CWIP	–	23.71	275.66	299.31	0.71	–	34.14	–	89.01	19.08	3.45	–	0.51	–	7.32	–	**752.90**	**(752.90)**
Disposals	–	(413.37)	–	(30.46)	(0.17)	–	(17.53)	–	–	(8.34)	–	(2.78)	–	–	(0.90)	(23.58)	**(497.13)**	–
Closing gross carrying amount	**1,804.37**	**1,839.87**	**17,688.26**	**20,379.93**	**1,317.21**	**375.28**	**9,717.81**	**1,942.64**	**6,647.40**	**2,980.72**	**2,130.85**	**659.50**	**1,599.80**	**43.83**	**3,528.28**	**247.67**	**72,903.42**	**14,122.90**
Accumulated depreciation																		
Opening accumulated depreciation	–	213.04	4,423.30	6,453.91	576.15	290.36	3,803.68	1,767.92	2,844.00	1,969.26	1,340.13	508.51	1,121.62	42.51	1,726.32	105.58	**27,186.29**	–
Depreciation charge during the year	–	26.86	573.97	1,398.32	71.01	10.95	887.50	19.41	442.21	159.41	129.07	38.95	137.17	0.06	219.46	26.30	**4,140.65**	–
Disposals	–	(12.96)	–	(28.88)	(0.13)	–	(15.03)	–	–	(6.31)	–	(2.64)	–	–	(0.62)	(14.94)	**(81.51)**	–
Closing accumulated depreciation	**–**	**226.94**	**4,997.27**	**7,823.35**	**647.03**	**301.31**	**4,676.15**	**1,787.33**	**3,286.21**	**2,122.36**	**1,469.20**	**544.82**	**1,258.79**	**42.57**	**1,945.16**	**116.94**	**31,245.43**	**–**
Net carrying amount	**1,804.37**	**1,612.93**	**12,690.99**	**12,556.58**	**670.18**	**73.97**	**5,041.66**	**155.31**	**3,361.19**	**858.36**	**661.65**	**114.68**	**341.01**	**1.26**	**1,583.12**	**130.73**	**41,657.99**	**14,122.90**
Year ended March 31, 2020																		
Gross carrying amount																		
Opening gross carrying amount as at April 1, 2019	1,804.37	1,839.87	17,688.26	20,379.93	1,317.21	375.28	9,717.81	1,942.64	6,647.40	2,980.72	2,130.85	659.50	1,599.80	43.83	3,528.28	247.67	72,903.42	14,122.90
Additions	–	–	150.37	439.35	22.13	36.49	806.79	–	219.66	8.50	59.33	61.72	173.35	–	18.83	6.86	2,003.38	1,346.16
Assets capitalised during the year from CWIP	–	–	4,827.27	5,625.46	12.28	508.46	40.30	–	2,024.86	1,006.18	162.05	6.68	78.09	–	444.94	–	14,736.57	(14,736.57)
Disposals	–	–	–	(11.68)	–	–	(39.35)	–	(19.02)	–	–	(0.58)	–	–	(34.82)	(7.48)	(112.93)	–
Closing gross carrying amount	1,804.37	1,839.87	22,665.90	26,433.06	1,351.62	920.23	10,525.55	1,942.64	8,872.90	3,995.40	2,352.23	727.32	1,851.24	43.83	3,957.23	247.05	89,530.44	732.49
Accumulated depreciation and impairment																		
Opening accumulated depreciation	–	226.94	4,997.27	7,823.35	647.03	301.31	4,676.15	1,787.33	3,286.21	2,122.36	1,469.20	544.82	1,258.79	42.57	1,945.16	116.94	31,245.43	–
Depreciation charge during the year	–	26.05	703.17	1,642.68	70.04	52.83	872.85	19.44	528.85	229.29	135.99	40.88	148.29	0.06	238.63	23.87	4,732.92	–
Disposals	–	–	–	(9.47)	–	–	(25.99)	–	(15.76)	–	–	(0.55)	–	–	(22.54)	(5.85)	(80.16)	–
Closing accumulated depreciation	–	252.99	5,700.44	9,456.56	717.07	354.14	5,523.01	1,806.77	3,799.30	2,351.65	1,605.19	585.15	1,407.08	42.63	2,161.25	134.96	35,898.19	–
Closing net carrying amount	1,804.37	1,586.88	16,965.46	16,976.50	634.55	566.09	5,002.54	135.87	5,073.60	1,643.75	747.04	142.17	444.16	1.20	1,795.98	112.09	53,632.25	732.49

(i) Capital Work in Progress

Capital work in progress mainly comprises :

a. Regular Capex for new projects

b. Baddi Liquid project

(ii) Property, Plant and Equipment pledged as security

Refer to note 47 for information on Property, Plant and equipment pledged as security by the Company.

Notes (Standalone)
on financial statements for the year ended March 31, 2020
(All amounts in INR lakhs, unless otherwise stated)

Note 4 : Right-of-use assets

Particulars	*Plant & Machinery*	*Laboratory Equipments*	*Plant - Utilities*	*Software*	*Total*
Year ended March 31, 2020					
Gross carrying value					
Opening gross carrying amount	–	–	–	–	–
Additions	242.66	141.68	157.62	0.82	542.78
Disposals	–	–	–	–	–
Closing gross carrying value	242.66	141.68	157.62	0.82	542.78
Accumulated depreciation					
Opening accumulated depreciation	–	–	–	–	–
Depreciation charge during the year	7.47	6.36	2.29	0.15	16.27
Disposals	–	–	–	–	–
Closing accumulated depreciation	7.47	6.36	2.29	0.15	16.27
Net carrying value as at March 31, 2020	235.19	135.32	155.33	0.67	526.51

Refer to note 39 for information on Leases

Note 5 : Intangible Assets

Particulars	*Trade Mark*	*Computer Software **	*Technical Knowhow*	*ANDAs, DMFs, Dossiers*	*Total*	*Intangible Assets under development*
Year ended March 31, 2019						
Gross carrying amount						
Opening gross carrying amount as at April 1, 2018	1,032.30	1,253.36	1.15	14,915.67	**17,202.48**	**5,978.17**
Additions	–	217.39	–	–	**217.39**	**1,568.42**
Intangible Assets Capitalised	–	–	–	3,126.51	**3,126.51**	**(3,126.51)**
Closing gross carrying amount	**1,032.30**	**1,470.75**	**1.15**	**18,042.18**	**20,546.38**	**4,420.08**
Accumulated amortisation						
Opening accumulated amortisation	896.40	933.05	1.09	10,606.03	**12,436.57**	–
Amortisation for the year	48.77	244.91	–	2,722.08	**3,015.76**	–
Impairment for the year	–	–	–	–	–	–
Closing accumulated amortisation	**945.17**	**1,177.96**	**1.09**	**13,328.11**	**15,452.33**	–
Net carrying amount	**87.13**	**292.79**	**0.06**	**4,714.07**	**5,094.05**	**4,420.08**
Year ended March 31, 2020						
Gross carrying amount						
Opening gross carrying amount as at April 1, 2019	1,032.30	1,470.75	1.15	18,042.18	20,546.38	4,420.08
Additions	–	357.70	–	–	357.70	1,600.91
Intangible Assets Capitalised	–	–	–	1,683.09	1,683.09	(1,683.09)
Closing gross carrying amount	1,032.30	1,828.45	1.15	19,725.27	22,587.17	4,337.90
Accumulated amortisation						
Opening accumulated amortisation	945.17	1,177.96	1.09	13,328.11	15,452.33	–
Amortisation for the year	25.97	229.09	0.06	1,789.97	2,045.09	–
Impairment for the year (**)	–	–	–	286.84	286.84	–
Closing accumulated amortisation	971.14	1,407.05	1.15	15,404.92	17,784.26	–
Closing net carrying amount	61.16	421.40	–	4,320.35	4,802.91	4,337.90

* *Computer software also consists of capitalised development costs being an internally generated intangible asset.*

** *Based on management assessment of prevailing market conditions and technical aspects, impairment charge of ₹ 286.84 lakhs has been included under depreciation, amortisation and impairment expense in the Statement of Profit and Loss Account.*

Notes (Standalone)

on financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Note 6(a) : Non Current Financial Investments

Particulars	*March 31, 2020*	*March 31, 2019*
Unquoted (at Cost) :		
Trade Investment		
Investments in Equity Instruments		
In Subsidiary Companies		
(i) Xtend Industrial Designers & Engineers P. Ltd. [20,27,025 Equity Shares of ₹ 10/- each (Previous Year 20,27,025 Equity Shares of ₹ 10/- each)]	**242.32**	242.32
(ii) Indoco Remedies Czech sro (5 Shares of USD 1265.30 @ 71.15 each)	**0.90**	–
	243.22	242.32
Non-Trade Investment		
Investments in Equity Instruments		
Other than Subsidiary Companies		
(i) Shivalik Solid Waste Management Ltd. Baddi [20,000 Shares of ₹ 10 each, (Previous Year 20,000 Shares of ₹ 10 each)]	**2.00**	2.00
(ii) Saraswat Co-op. Bank Ltd. [1,000 ordinary shares of ₹ 10 each, (Previous Year 1,000 ordinary shares of ₹ 10 each)]	**0.10**	0.10
	2.10	2.10
Total, Non Current Financial Investments	**245.32**	**244.42**

Note 6(b) : Current Financial Investments

Particulars	*March 31, 2020*	*March 31, 2019*
Unquoted : (at cost)		
National Spot Exchange	**462.90**	462.90
Total	**462.90**	**462.90**
Less : Provision for diminution in value of investment	**(462.90)**	(462.90)
Total, Current Financial Investments	**–**	**–**

Note 7 : Non Current Financial Assets - Loans

Particulars	*March 31, 2020*	*March 31, 2019*
Unsecured, Considered Good		
Loan to Employees	**99.87**	125.62
Total, Non Current Financial Assets - Loans	**99.87**	**125.62**

(All amounts in INR lakhs, unless otherwise stated)

Note 8 : Non Current Other Financial Assets

Particulars	*March 31, 2020*	*March 31, 2019*
Deposit - Others	**325.01**	281.37
Tender Deposits	**84.73**	72.23
Deposit With OPC Asset Solutions	**14.12**	–
Margin money	**163.79**	153.33
Total, Non Current Other Financial Assets	**587.65**	**506.93**

Note 9 : Deferred Tax Assets (Net)

Particulars	*March 31, 2020*	*March 31, 2019*
Mat Credit Entitlement	**5,677.65**	5,291.84
Deferred Tax (Net)		
Deferred Tax Liability		
i) On fiscal allowances on fixed assets	**(4,211.20)**	(3,731.25)
	(4,211.20)	(3,731.25)
Deferred Tax Assets		
i) On employee benefit obligations	**1,710.18**	1,501.22
ii) On provision for doubtful debts	**254.30**	330.65
iii) On provision for doubtful advances	**161.76**	161.76
	2,126.24	1,993.63
Total, Deferred Tax Assets (Net)	**3,592.69**	**3,554.22**

Movement in Deferred Tax Assets (Net)

Particulars	*MAT Credit Entitlement*	*Deferred Tax Assets*				*Deferred Tax Liabilities*		*Net Total*
		Tax Losses	*Employee benefit obligation*	*Provisions*	*Total*	*Property, Plant and equipment and investment property*	*Total*	
At April 1, 2018	5,620.74	–	1,237.97	301.22	1,539.19	4,024.49	4,024.49	3,135.44
(Charged)/credited:								
to profit or loss	(79.23)	–	235.04	191.19	426.23	(293.24)	(293.24)	640.24
to other comprehensive income	–	–	28.21	–	28.21	–	–	28.21
to Deferred tax on basis adjustment	(249.67)	–	–	–	–	–	–	(249.67)
At March 31, 2019	**5,291.84**	**–**	**1,501.22**	**492.41**	**1,993.63**	**3,731.25**	**3,731.25**	**3,554.22**
(Charged)/credited:								
to profit or loss	**385.81**	**–**	**110.26**	**(76.35)**	**33.91**	**479.95**	**479.95**	**(60.23)**
to other comprehensive income	**–**	**–**	**98.70**	**–**	**98.70**	**–**	**–**	**98.70**
to Deferred tax on basis adjustment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
At March 31, 2020	**5,677.65**	**–**	**1,710.18**	**416.06**	**2,126.24**	**4,211.20**	**4,211.20**	**3,592.69**

Notes (Standalone)
on financial statements for the year ended March 31, 2020
(All amounts in INR lakhs, unless otherwise stated)

Note 10 : Income Tax Assets (Net)

Particulars	March 31, 2020	March 31, 2019
Opening balance	918.11	306.56
Add : Taxes paid (net)	391.71	361.88
Less : Current Tax payable for the year	(385.81)	–
Add/Less : Assessment Completed / Adjustments	–	249.67
Closing balance	**924.01**	**918.11**

The following table provides the details of income tax assets and liabilities as of March 31, 2020 and March 31, 2019

Particulars	March 31, 2020	March 31, 2019
Income Tax Assets	924.01	918.11
Income Tax Liabilities	–	–
Net current income tax assets / (liability) at the end	**924.01**	**918.11**

Note 11 : Other Non Current Assets

Particulars	March 31, 2020	March 31, 2019
Capital Advance	770.34	774.84
Pre-Paid Expenses	4.17	2.77
Sales Tax Receivable	795.56	754.71
Advance - Others	2.95	2.95
Total, Other Non Current Assets	**1,573.02**	**1,535.27**

Note 12 : Inventories

Particulars	March 31, 2020	March 31, 2019
Inventories		
Raw and Packing Materials	11,930.50	10,246.57
Work in Progress	2,636.94	2,492.39
Finished Goods	4,491.70	3,729.42
Stock in Trade	1,011.80	1,113.60
Stores and Spares	753.05	755.40
Total, Inventories	**20,823.99**	**18,337.38**

Amounts recognised in profit or loss

Provision for write-downs of inventories amounted to INR 1,325.10 lakhs (March 31, 2019 – INR 1,188.15 lakhs). These were recognised as an expense during the year and included in changes in value of inventories of work-in-progress, stock-in-trade and finished goods in statement of profit and loss.

(All amounts in INR lakhs, unless otherwise stated)

Note 13 : Trade Receivables

Particulars	March 31, 2020	March 31, 2019
Trade receivables		
Unsecured		
Debts outstanding for more than six months from the date they are due for payment		
Considered Good	5,775.33	5,282.88
Considered Doubtful	727.74	946.23
	6,503.07	6,229.11
Less: Provision for doubtful debts	(727.74)	(946.23)
	5,775.33	5,282.88
Other Debts - Considered Good	15,142.37	14,163.65
Total, Trade receivables	**20,917.70**	**19,446.53**
Current Portion	20,917.70	19,446.53
Non-current Portion	–	–

Break-up of security details

Particulars	March 31, 2020	March 31, 2019
Secured, considered good	–	–
Unsecured, considered good	20,917.70	19,446.53
Considered Doubtful	727.74	946.23
Total	**21,645.44**	**20,392.76**
Allowance for doubtful trade receivables	(727.74)	(946.23)
Total, Trade receivables	**20,917.70**	**19,446.53**

Refer Note 45 for information about credit risk and market risk of trade receivables.

Note 14 : Cash and Cash Equivalents

Particulars	March 31, 2020	March 31, 2019
Cash and Cash Equivalents		
(i) Cash on hand	9.61	9.21
(ii) Balances with Banks		
In Current Accounts	1,983.80	993.22
In EEFC Accounts	295.02	184.24
In Margin Accounts	–	52.38
In Fixed Deposit	59.65	832.85
Total, Cash and Cash Equivalents	**2,348.08**	**2,071.90**

Notes (Standalone)

on financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Note 15 : Bank Balances Other than Cash & Cash Equivalents

Particulars	*March 31, 2020*	*March 31, 2019*
In Earmarked Accounts		
Unpaid Dividend Accounts	27.66	30.70
Margin Accounts	1,389.22	1,515.63
Total, Bank Balances Other than Cash & Cash Equivalents	**1,416.88**	**1,546.33**

Note 16 : Current Financial Assets - Loans

Particulars	*March 31, 2020*	*March 31, 2019*
Unsecured, Considered Good		
Loan to Employees	37.71	41.48
Total, Current Financial Assets - Loans	**37.71**	**41.48**

Note 17 : Current Financial Assets - Others

Particulars	*March 31, 2020*	*March 31, 2019*
Tender Deposits	71.89	14.15
Mark to Market Gain (Net) on financial instruments	299.74	997.70
Insurance claim receivable	–	3.12
Franking Advance	0.15	0.31
Total, Current Financial Assets - Others	**371.78**	**1,015.28**

Note 18 : Other Current Assets

Particulars	*March 31, 2020*	*March 31, 2019*
Advances to Suppliers	1,142.89	1,020.58
Share Application Money	–	0.90
Pre-paid Expenses	536.52	534.93
Employee Advances	97.33	45.45
Receivable - Others	21.32	17.76
Receivable From OPC Assets	53.26	–
Balance with Statutory / Government Authorities	8,408.94	9,571.86
Total, Other Current Assets	**10,260.26**	**11,191.48**

Notes (Standalone)
on financial statements for the year ended March 31, 2020
(All amounts in INR lakhs, unless otherwise stated)

Note 19 : Equity Share Capital

Particulars	*March 31, 2020*	*March 31, 2019*
Authorised		
12,50,00,000 Equity Shares of ₹ 2/- each (Previous Year 12,50,00,000 Equity Shares of ₹ 2/- each)	**2,500.00**	**2,500.00**
Issued, Subscribed and Paid up:		
9,21,50,355 Equity Share of ₹ 2/- each (Previous year 9,21,50,355 Equity Share of ₹ 2/- each) fully paid up.	**1,843.01**	1,843.01

A) Reconciliation of number of ordinary shares outstanding	*March 31, 2020 Equity Shares*		*March 31, 2019 Equity Shares*	
	Number	*(₹ lakhs)*	*Number*	*(₹ lakhs)*
Shares outstanding at the beginning of the year	**9,21,50,355**	**1,843.01**	9,21,50,355	1,843.01
Less : Adjustments	–	–	–	–
Add: Issue of Bonus shares	–	–	–	–
Less: Shares bought back during the year	–	–	–	–
Shares outstanding at the end of the year	**9,21,50,355**	**1,843.01**	9,21,50,355	1,843.01

B)	**Details of Shares held by each shareholder holding more than 5% shares**	*March 31, 2020*		*March 31, 2019*	
		No of Shares held @ ₹ 2/- per share	*% holding in that class of Shares*	*No of Shares held @ ₹ 2/- per share*	*% holding in that class of Shares*
	Equity Shares with voting rights :				
i)	Spa Holdings Pvt Ltd	**1,83,35,000**	**19.90%**	1,83,35,000	19.90%
ii)	Shanteri Investment Pvt Ltd	**1,57,71,755**	**17.12%**	1,57,71,755	17.12%
iii)	Aditi Panandikar	**55,59,013**	**6.03%**	55,59,013	6.03%
iv)	Madhura Ramani	**51,84,079**	**5.63%**	51,84,079	5.63%
v)	Aruna Suresh Kare	**47,94,714**	**5.20%**	47,94,714	5.20%
vi)	Reliance Capital Trustee Co Ltd-a/c Nippon India Small Cap Fund	**60,97,774**	**6.62%**	26,22,001	2.85%

C) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. All equity shares of the Company rank pari passu in all respects including the right to dividend. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2020, the amount of ₹ 0.30 per share on the face value of ₹ 2 is proposed to the equity shareholders of the company (Previous year - ₹ 0.30 per share on face value of ₹ 2 declared and paid to the equity shareholders of the Company).

In the event of winding-up, subject to the rights of holders of shares issued upon special terms and conditions, the holders of equity shares shall be entitled to receive remaining assets, if any, in proportion to the number of shares held at the time of commencement of winding-up.

Notes (Standalone)

on financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Note 20 : Other Equity

Particulars	*March 31, 2020*	*March 31, 2019*
Capital Reserve	**0.02**	0.02
Securities Premium	**6,420.93**	6,420.93
General Reserve	**25,817.64**	25,817.64
Retained Earnings	**33,934.51**	32,026.72
Total, Other Equity	**66,173.10**	**64,265.31**

(i) Capital Reserve

Particulars	*March 31, 2020*	*March 31, 2019*
Opening Balance	**0.02**	0.02
Additions	**–**	–
Closing balance	**0.02**	**0.02**

(ii) Securities Premium

Particulars	*March 31, 2020*	*March 31, 2019*
Opening Balance	**6,420.93**	6,420.93
Additions	**–**	–
Closing balance	**6,420.93**	**6,420.93**

(iii) General Reserve

Particulars	*March 31, 2020*	*March 31, 2019*
Opening balance	**25,817.64**	25,817.64
Add : Transferred from Surplus in Statement of Profit & Loss	**–**	–
Closing balance	**25,817.64**	**25,817.64**

(iv) Retained Earnings

Particulars	*March 31, 2020*	*March 31, 2019*
Opening balance	**32,026.72**	33,474.28
Add : Net Profit / (Loss) for the Year	**2,424.82**	(284.11)
Add : Other Comprehensive Income for the year	**(183.75)**	(52.53)
Amount available for appropriation	**34,267.79**	33,137.64
Less : Transferred to General Reserve	**–**	–
Less : Dividend paid	**(276.45)**	(921.50)
Less : Dividend Tax	**(56.83)**	(189.42)
Closing balance	**33,934.51**	**32,026.72**

Nature of reserves

(a) Capital reserve

The Company recognises profit and loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.

(b) Securities premium

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

(c) 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 a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

Notes (Standalone)

on financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Note 21 : Non-Current Financial Liabilities - Borrowings

Particulars	*Terms of Repayment & Securities*	*March 31, 2020*	*March 31, 2019*
Secured			
Term Loans from Banks			
Foreign currency loan -ECB / FCNR(B)	Note No. 21 (i)	**6,361.87**	8,757.75
Indian rupee loan	Note No. 21 (ii)	**9,206.16**	9,519.21
Vehicle Loan from Bank	Note No. 21 (iii)	**5.05**	14.44
Interest accrued but not due	Note No. 26	**109.58**	118.71
Total, Non Current Financial Liabilities - Borrowings		**15,682.66**	**18,410.11**
Less: Current maturities of long-term debt (included in note 26)		**(5,880.08)**	(5,425.69)
Less: Interest accrued (included in note 26)		**(109.58)**	(118.71)
Total, Non-current borrowings		**9,693.00**	**12,865.71**

Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured long term borrowings.

Note No.	*Name of the Bank*	*Terms of Repayment & Securities*
21 (i)	Citi Bank	
	Amount Sanctioned	USD 74,73,841.60
	Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly instalments of USD 4,67,115.10 each commencing from December 19, 2017 ending on September 19, 2021. The amount is payable in the month of March, June, September and December of each year.
	Rate of Interest	6.70 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement).
	Nature of Security	The loan is secured by (a) First Exclusive charge over the entire moveable fixed assets of the Company both present and future and equitable mortgage of Land and Building situated at HB : 211, Village : Katha, P.O. Baddi, Tehsil Baddi, Dist. Solan, Himachal Pradesh, Pin 173 205. (b) First and Exclusive charge over the Entire moveable Fixed Assets of the Company both present and future situated at Plant I, Village Katha, Baddi, Himachal Pradesh, Pin 173 205.

Notes (Standalone)

on financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

Note 21 : Non-Current Financial Liabilities - Borrowings : *Contd.*

Note No.	*Name of the Bank*	*Terms of Repayment & Securities*
21 (i)	Standard Chartered Bank	
	Amount Sanctioned	GBP 61,00,000.00
	Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly instalments of GBP 381,250 each commencing from December 29, 2017 ending on September 29, 2021. The amount is payable in the month of March, June, September and December of each year.
	Rate of Interest	3.40 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement).
	Nature of Security	The loan is secured by equitable mortgage of Land and building situated at A-26,A-27, A-28/1, MIDC Industrial Area, Patalganga, Village Kaire, Tal. Khalapur, Dist. Raigad, Maharashtra - 410 220. The loan is secured by First Exclusive charge over the entire moveable fixed assets of the Company both present and future situated at A-26, A-27, A-28/1, A-28/2 MIDC Industrial Area, Patalganga, Village Kaire, Tal. Khalapur, Dist. Raigad, Maharashtra - 410 220. Exclusive charge on moveable fixed assets of the Company created out of the Loan at A - 27, MIDC Industrial Area, Patalganga, Village Kaire, Tal. Khalapur, Dist. Raigad, Maharashtra.- 410 220.
21 (i)	Standard Chartered Bank	
	Amount Sanctioned	Euro 30,00,000.00
	Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly instalments of Euro 1,87,500 each commencing from January 13, 2020 ending on October 11, 2023. The amount is payable in the month of January, April, July and October of each year.
	Rate of Interest	7.61 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement).
	Nature of Security	The loan is secured by equitable mortgage of Land and building situated at A-26, A-27, A-28/1, MIDC Industrial Area, Patalganga, Village Kaire, Tal. Khalapur, Dist. Raigad, Maharashtra - 410 220. The loan is secured by First Exclusive charge over the entire moveable fixed assets of the Company both present and future situated at A-26, A-27, A-28/1, A-28/2 MIDC Industrial Area, Patalganga, Village Kaire, Tal. Khalapur, Dist. Raigad, Maharashtra - 410 220. Exclusive charge on moveable fixed assets of the Company created out of the Loan at A - 27, MIDC Industrial Area, Patalganga, Village Kaire, Tal. Khalapur, Dist. Raigad, Maharashtra.- 410 220.

(All amounts in INR lakhs, unless otherwise stated)

Note 21 : Non-Current Financial Liabilities - Borrowings : *Contd.*

Note No.	Name of the Bank	Terms of Repayment & Securities
21 (ii)	Saraswat Co. Op. Bank Ltd.	
	Amount Sanctioned	₹ 50,00,00,000/-
	Terms of Repayment	The Term Loan is Repayable in 59 monthly equal instalments of ₹ 83,33,000/- each and 60th instalment of ₹ 83,53,000/- commencing from January 14, 2020, ending on December 14, 2024.
	Rate of Interest	8.05% p.a.
	Nature of Security	Primary : First and Exclusive Charge on moveable assets at B 20 MIDC, Waluj, Aurangabad. 1st pari passu charge on moveable assets at L-14, Verna Industrial Area, Verna, Salcete, Goa – 403 722 & L-32/33/34, Verna Industrial Area, Verna, Salcete, Goa – 403 722.
21 (ii)	Saraswat Co. Op. Bank Ltd.	
	Amount Sanctioned	₹ 35,00,00,000/-
	Terms of Repayment	The o/s Term Loan is Repayable in 20 equal monthly instalments of ₹ 64,97,750/- each and last instalment of ₹ 64,93,205/- ending on December 19, 2021.
	Rate of Interest	9.15% p.a.
	Nature of Security	Primary : First and Exclusive charge over the entire moveable fixed assets of the Company at Plot No. R - 92 & R - 93, T. T. C. Industrial Area, Rabale, MIDC, Thane Belapur Road, Navi Mumbai-400 701.
21 (ii)	Saraswat Co. Op. Bank Ltd.	
	Amount Sanctioned	₹ 38,00,00,000/-
	Amount Availed	₹ 23,00,00,000/-
	Terms of Repayment	The Term Loan is Repayable in 59 monthly equal instalments of ₹ 38,33,333/- each and 60th instalment of ₹ 38,33,353/- commencing from May, 2021, ending on April, 2026.
	Rate of Interest	8.75% p.a.
	Nature of Security	Primary : First and Exclusive Charge on moveable assets at B 20 MIDC, Waluj, Aurangabad. 1st pari passu charge on moveable assets at L-14, Verna Industrial Area, Verna, Salcete, Goa – 403 722 & L-32/33/34, Verna Industrial Area, Verna, Salcete, Goa – 403 722.
21 (ii)	Citi Bank	
	Amount Sanctioned	₹ 60,00,00,000/-
	Terms of Repayment	The O/s Term Loan is Repayable in 2 equal quarterly instalments of ₹ 3,95,83,333/- each. Amount is due on April 15, 2020 and July 15, 2020.
	Rate of Interest	9.50% p.a.
	Nature of Security	The loan is secured by Parri Passu charge on Present and future moveable fixed assets located at Goa Plant L-14, Verna Industrial Area, Verna, Salcete, Goa – 403 722 & L- 32 /33/34, Verna Industrial Area, Verna, Salcete, Goa – 403 722.

Notes (Standalone)
on financial statements for the year ended March 31, 2020
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Note 21 : Non-Current Financial Liabilities - Borrowings : *Contd.*

Note No.	*Name of the Bank*	*Terms of Repayment & Securities*
21 (iii)	Vehicle Loan	
	Amount Sanctioned	₹ 41,00,000/-
	Terms of Repayment	The Loan is Repayable in 60 equated monthly instalments (EMI) of ₹ 86,530/- each (including principal and interest) commencing from October 07, 2015 ending on September 07, 2020.
	Rate of Interest	9.71 % p.a.
	Nature of Security	The loan is secured by hypothecation of the vehicle which has been purchased against the Loan.

Note 22 : Non Current Other Financial Liabilities

Particulars	*March 31, 2020*	*March 31, 2019*
Unsecured		
Security Deposit	**732.89**	727.53
Deposit Others	**0.25**	4.42
Lease Liability (refer note no. 39)	**549.10**	–
Total, Non Current Other Financial Liabilities	**1,282.24**	**731.95**

Note 23 : Non Current Provisions

Particulars	*March 31, 2020*	*March 31, 2019*
Provision for Employee Benefit		
Leave Obligations (refer note no. 38)	**979.86**	699.44
Gratuity (refer note no. 38)	**1,342.47**	891.50
Total, Non Current Provisions	**2,322.33**	**1,590.94**

Note 24 : Current Financial Liabilities - Borrowings

Particulars	*Terms of Repayment & Securities*	*March 31, 2020*	*March 31, 2019*
Secured (Refer Note below)			
Loans from Banks			
Cash Credit Facility	Note No. 24 (i)	**2,062.76**	2,969.41
Packing Credit in Rupee	Note No. 24 (iii)	**1,000.00**	–
Working Capital Demand Loan	Note No. 24 (iv)	**520.68**	1,000.00
Buyer's Credit	Note No. 24 (vi)	**96.37**	–
Interest accrued		**54.61**	43.39
Unsecured			
Loans from Banks			
Foreign Currency Export Packing Credit	Note No. 24 (ii)	**1,013.44**	2,626.56
Packing Credit in Rupee	Note No. 24 (iii)	**2,000.00**	–
Working Capital Demand Loan	Note No. 24 (iv)	**2,400.00**	1,400.00
Short Term Loan	Note No. 24 (v)	**1,450.00**	3,300.00
Total, Current borrowings		**10,597.86**	**11,339.36**

Notes (Standalone)
on financial statements for the year ended March 31, 2020
(All amounts in INR lakhs, unless otherwise stated)

Note 24 : Current Financial Liabilities - Borrowings : *Contd.*

Note No.	*Type of Loan*	*Repayment and Rate of Interest*
24 (i)	Cash Credit Facility	Is repayable on demand and carries interest @ 8.65 % p.a. to 10.15 % p.a. (Previous year @ 8.25 % p.a. to 10.15 % p.a.)
24 (ii)	Foreign Currency Export Packing Credit	Is payable on completion of the tenure. It carries interest @ LIBOR + 1% BPS to 1.70% BPS. (Previous year LIBOR + 1% BPS to 1.80% BPS)
24 (iii)	Packing Credit in Rupee	Is payable on completion of the tenure. It carries interest @ 7.75% to 8.50% p.a. (Previous Year @ 7.50% to 8.20% p.a.)
24 (iv)	Working Capital Demand Loan	Is repayable on demand and carries interest @ 7.50% p.a. to 8.75% p.a. (Previous year 7.70% p.a. to 8.75% p.a.)
24 (v)	Short Term Loan	Is repayable on demand and carries interest @ 7.75% p.a. to 9.00% p.a (Previous year 8.15% p.a. to 8.80% p.a.)
24 (vi)	Buyer's Credit	Is repayable on completion of the tenure. The interest payable on the facility is LIBOR + 0.75% BPS to 1.50% BPS (Previous year Nil)

Note : Cash Credit, Packing Credit in Rupee, Buyer's Credit and Working Capital Demand Loan are part of Working Capital facilities availed from various Banks and are secured by First parri passu charge by hypothecation of all stocks and book debts.

Note 25 : Trade Payables

Particulars	*March 31, 2020*	*March 31, 2019*
Trade payables		
Total Outstanding Dues of Micro and Small Enterprises	**1.19**	6.66
Total Outstanding Dues of Creditors Other Than Micro and Small Enterprises	**16,628.10**	17,063.75
Total, Trade Payables	**16,629.29**	**17,070.41**

Note 26 : Current Other Financial Liabilities

Particulars	*March 31, 2020*	*March 31, 2019*
Secured		
Term Loans from Banks		
Indian Rupee loan	**2,571.36**	2,696.38
Vehicle Loan	**5.05**	10.38
Foreign Currency loan -ECB / FCNR(B)	**3,303.67**	2,718.92
Interest accrued	**109.58**	118.71
Unpaid Dividends	**27.66**	30.70
Unsecured		
Deposit Payable - Others	**0.75**	0.75
Lease Liability (refer note no. 39)	**51.75**	–
Other Current Liabilities	**6,289.25**	5,351.88
Total, Current Other financial liabilities	**12,359.07**	**10,927.72**

Notes (Standalone)
on financial statements for the year ended March 31, 2020
(All amounts in INR lakhs, unless otherwise stated)

Note 27 : Current Provisions

Particulars	*March 31, 2020*	*March 31, 2019*
Provision for Employee Benefit		
Leave Obligations (refer note no. 38)	**308.50**	189.98
Gratuity (refer note no. 38)	**874.74**	774.12
Bonus	**1,099.20**	1,028.35
Others		
Sales Return	**2,872.52**	2,428.81
Total, Provisions	**5,154.96**	**4,421.26**

(i) Information about individual provisions and significant estimates

Sales Returns

When a customer has a right to return the product within a given period, the company recognises a provision for returns INR 1,933.72 lakhs as at March 31, 2020 (March 31, 2019 - INR 2,023.27 lakhs). This is measured on the previous history of sales return. Revenue is adjusted for the expected value of the returns and cost of sales & Inventory are adjusted for the value of the corresponding goods to be returned.

(ii) Movements in provisions for Sales Return

Movements in each class of provision during the financial year, are set out below:

Particulars	*Sales Return*
As at April 1, 2019	**2,428.81**
Charged/(credited) to profit or loss	
Provision for current year	**1,933.72**
Provision of earlier years utilised as against returns of current year	**(1,490.01)**
As at March 31, 2020	**2,872.52**
As at April 1, 2018	2,042.33
Charges/(credited) to profit or loss	
Provision for Current Year	2,023.27
Provision for earlier years utilized as against returns of current year	(1,636.79)
As at March 31, 2019	**2,428.81**

Note 28 : Other Current Liabilities

Particulars	*March 31, 2020*	*March 31, 2019*
Car Sale Advance	–	4.15
Advance from Customer	**642.97**	160.64
Statutory Dues	**533.19**	609.51
Total, Other Liabilities	**1,176.16**	**774.30**

Notes (Standalone)

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(All amounts in INR lakhs, unless otherwise stated)

Note 29 : Revenue from operations

Particulars	*Apr'19-Mar'20*	*Apr'18-Mar'19*
Sale of Product		
Domestic Sales	**71,446.85**	63,807.86
Export Sales	**29,737.08**	25,463.96
	1,01,183.93	89,271.82
Sale of Services		
Export Services	**5,694.42**	3,117.56
Domestic Services	**1,060.57**	1,747.32
	6,754.99	4,864.88
Other Operating Revenue		
Exchange Gain/(Loss) (Net) (other than considered in Finance Cost)	**1,524.02**	1,647.28
Export Incentives	**1,100.61**	954.50
Scrap Sale	**35.94**	34.85
	2,660.57	2,636.63
Total, Revenue from Operations (Gross)	**1,10,599.49**	**96,773.33**

Note : As per Ind AS 115, revenue is reported net of GST.

Critical judgements in calculating amounts

When a customer has a right to return the product within a given period, the company recognises a provision for returns INR 1,933.72 lakhs as at March 31, 2020 (March 31, 2019 - INR 2,023.27 lakhs). This is measured on the previous history of sales return. Revenue is adjusted for the expected value of the returns and cost of sales & Inventory are adjusted for the value of the corresponding goods to be returned.

Additional disclosures as required by Ind AS 115

Disaggregate revenue information

The table below presents disaggregated revenue information from contracts with customers for the year ended March 31, 2020. The company believes that this disaggregation reasonably depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Particulars	*Apr'19-Mar'20*	*Apr'18-Mar'19*
Formulation :		
Domestic	**68,624.09**	60,619.40
Export		
Regulated Market :	**21,753.96**	16,085.24
Emerging Market :	**7,871.94**	7,264.63
Export, Total	**29,625.90**	**23,349.87**
Formulation, Total (a)	**98,249.99**	**83,969.27**
API (b)	**8,600.61**	8,222.19
CRO & Analytical Services (c)	**1,088.32**	1,945.24
Gross Sales (Net of Returns), Total (a + b + c)	**1,07,938.92**	**94,136.70**
Other Operating Revenue	**2,660.57**	2,636.63
Income from Operation, Total	**1,10,599.49**	**96,773.33**

Performance obligations

a. Significant payment terms

In case of Domestic Sales, payment terms range from 7 days to 90 days based on geography and customers. In case of Export Sales these are either DP at sight, Document against acceptance - 30 days to 120 days, Letters of Credit - 30 days to 120 days.

b. Obligations for returns, refunds and similar obligations

In case of domestic sales, sales return may take place anytime before / after the expiry of goods.

Notes (Standalone)
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(All amounts in INR lakhs, unless otherwise stated)

Note 30 : Other Income

Particulars	*Apr'19-Mar'20*	*Apr'18-Mar'19*
Interest Received	**123.53**	155.71
Sundry Balance w/back	**7.77**	110.29
Sundry Receipts	**109.03**	348.84
Dividend Received	**0.02**	0.32
Profit on Sale of Fixed Assets	**2.63**	0.31
Total, Other income	**242.98**	**615.47**

Note 31a : Cost of Materials Consumed

Particulars	*Apr'19-Mar'20*	*Apr'18-Mar'19*
Cost of Material Consumed		
Opening Stock	**10,246.57**	9,941.06
Add : Purchases	**27,952.15**	24,314.40
Less : Closing Stock	**(11,930.50)**	(10,246.57)
	26,268.22	**24,008.89**

Note 31b : Purchase of Stock in Trade

Particulars	*Apr'19-Mar'20*	*Apr'18-Mar'19*
Purchase of Stock in Trade	**7,579.66**	6,676.57
	7,579.66	**6,676.57**

Note 31c : Changes in Inventories

Particulars	*Apr'19-Mar'20*	*Apr'18-Mar'19*
(Incr.) / Decr. in Stk. of FG, Stock in Trade & WIP :		
Inventories at the beginning of the year		
Op.Stock - Finished Goods	**3,729.42**	4,542.65
Op.Stock - Stock in Trade	**1,113.60**	1,346.09
Op.Stock - WIP	**2,492.39**	2,778.85
	7,335.41	8,667.59
Inventories at the end of the year		
Cl.Stock - Finished Goods	**(4,491.70)**	(3,729.42)
Cl.Stock - Stock in Trade	**(1,011.80)**	(1,113.60)
Cl.Stock - WIP	**(2,636.94)**	(2,492.39)
	(8,140.44)	(7,335.41)
Total, Cost of material consumed	**(805.03)**	1,332.18

Notes (Standalone)
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(All amounts in INR lakhs, unless otherwise stated)

Note 32 : Employee Benefits Expenses

Particulars	*Apr'19-Mar'20*	*Apr'18-Mar'19*
Salaries, Wages and Bonus (refer note no. 38)	**21,630.02**	19,495.30
Contribution to Provident and Other Funds	**2,027.59**	1,820.70
Staff Welfare Expenses	**1,873.96**	1,810.49
Total, Employee benefit expenses	**25,531.57**	**23,126.49**

Note 33 : Research & Development Expenses

Particulars	*Apr'19-Mar'20*	*Apr'18-Mar'19*
R&D Employee Cost	**2,287.05**	2,250.45
Other R&D Expenses	**2,683.16**	2,901.10
Total, Research & Development Expenses	**4,970.21**	**5,151.55**

Note 34 : Depreciation and Amortisation Expenses

Particulars	*Note No*	*Apr'19-Mar'20*	*Apr'18-Mar'19*
Depreciation of Property, Plant and Equipment	3	**4,732.92**	4,140.65
Amortisation of Right-of-use assets	4	**16.27**	–
Amortisation of Intangible Assets	5	**2,045.09**	3,015.76
Impairment of Assets	5	**286.84**	–
Total, Depreciation and amortisation expenses		**7,081.12**	**7,156.41**

Notes (Standalone)

on financial statements for the year ended March 31, 2020

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Note 35 : Other Expenses

Particulars	*Apr'19-Mar'20*	*Apr'18-Mar'19*
Consumable Stores	**464.14**	337.61
Job Work Charges	**1,025.19**	928.43
Power and Fuel	**3,474.62**	2,848.69
Rent, Rates, Taxes	**513.21**	450.51
Insurance	**179.56**	131.34
Repairs :		
Building	**156.25**	158.95
Plant and Machinery	**1,156.29**	1,073.82
Others	**1,636.46**	1,434.04
	2,949.00	2,666.81
Packing and Delivery Expenses	**3,320.66**	3,051.90
Analytical Expenses	**2,051.96**	1,602.07
Turnover and Additional Tax	**–**	5.07
Advertising and Sales Promotion Expenses	**5,214.80**	3,993.40
Commission and Incentives on sales	**3,713.05**	2,276.76
Travelling, Conveyance and Motor Car Expenses	**5,603.77**	5,646.15
Legal and Professional Fees	**2,715.87**	1,286.80
Director's Sitting Fees	**17.40**	21.00
Postage, Telephone and Telex Expenses	**105.60**	110.92
Printing and Stationery Expenses	**362.73**	378.67
Payments to Auditors (refer note no. 35(a))	**14.45**	12.99
Loss on sale of Assets	**25.29**	20.65
Provision for Doubtful Debts	**17.66**	550.70
Investments in subsidiaries / Associates Written off	**–**	29.02
Bad Debts written off		
Bad Debts written off	**801.68**	50.31
Less : Transfer from Provision for Doubtful Debts	**(236.15)**	–
	565.53	50.31
Corporate Social Responsibility (refer note no. 35(b))	**92.91**	43.42
Miscellaneous Expenses	**2,293.26**	2,363.95
Total, Other expenses	**34,720.66**	**28,807.17**

Notes (Standalone)
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Note 35(a) : Details of payments to Auditors

Particulars	*Apr'19-Mar'20*	*Apr'18-Mar'19*
Payment to Auditors		
As Auditor :		
Audit Fees	**7.25**	6.00
Tax Audit Fees under GST	**4.25**	4.25
In other capacities :		
Certification fees	**2.16**	2.03
Re-imbursement of expenses	**0.79**	0.71
Total, payment to Auditors	**14.45**	**12.99**

Note 35(b) : Corporate social responsibility expenditure

Particulars	*Apr'19-Mar'20*	*Apr'18-Mar'19*
Contribution to :		
Promoting Education	**15.78**	11.89
Preventive Healthcare	**–**	13.95
Promoting & Development of Traditional Arts	**0.50**	0.10
Contribution of Free Medicine	**39.85**	–
Donation for Covid-19	**10.00**	–
Employment enhancing vocational skills	**26.78**	17.48
Total	**92.91**	**43.42**
Amount required to be spent as per Section 135 of the Act	**87.00**	160.00
Amount spent during the year on		
(i) Construction/acquisition of an asset	**–**	**–**
(ii) On purposes other than (i) above	**92.91**	**43.42**

Note 36 : Finance Cost

Particulars	*Apr'19-Mar'20*	*Apr'18-Mar'19*
Interest Expense	**2,296.48**	2,328.39
Other Financial charges	**132.24**	112.87
Exchange Gain / Loss (Net)	**262.68**	(55.19)
	2,691.40	**2,386.07**
Less : Amount capitalised (see note below)	**(66.20)**	(332.18)
Total, Finance Cost expenses in Profit or Loss	**2,625.20**	**2,053.89**

Note : Finance Cost incurred on various projects being qualifying asset is capitalised in accordance with IND AS 23.
Finance cost includes element of lease arrangement note no. 39

Notes (Standalone)
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Note 37 : Income Tax Expense

Particulars	*Apr'19-Mar'20*	*Apr'18-Mar'19*
(a) Statement of Profit and Loss :		
Profit or Loss section :		
Current Income Tax :		
Current Income Tax Charge	385.81	–
Tax in respect of earlier years	–	–
Total, Current Income Tax	385.81	**–**
Deferred tax section :		
Origination and reversal of timing difference	446.04	(719.47)
MAT Credit Adjustments	(385.81)	79.23
Total, Deferred tax expense/(benefit)	60.23	**(640.24)**
Tax expense reported in the statement of Profit and Loss	446.04	**(640.24)**
Other Comprehensive income section :		
Tax related to items recognised in OCI during the year :		
Net loss/(gain) on remeasurements of defined benefit plans	(98.70)	(28.21)
Tax charged to OCI	(98.70)	**(28.21)**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	*Apr'19-Mar'20*	*Apr'18-Mar'19*
Profit / (Loss) from continuing operations before income tax expense	2,870.86	(924.35)
Profit from discontinuing operation before income tax expense		
	2,870.86	**(924.35)**
Tax at the Indian tax rate of 34.944% (2018-2019 – 34.944%)	1,003.19	**(323.00)**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Deduction on R&D Expenditure u/s 35(2ab)	(693.06)	(833.59)
Other items	39.45	(9.22)
Adjustments of MAT of Previous period	–	79.22
Tax losses for which no deferred income tax was recognised	96.46	446.35
Income tax expense	446.04	**(640.24)**
Tax Expense as per Statement of Profit and Loss	446.04	**(640.24)**

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Note 38 : Employee benefit obligations

As required by IND AS 19 'Employee benefits' the disclosures are as under :

(i) Defined benefit plans

a. Leave obligations

The leave obligations cover the company's liability for sick and earned leave.

The amount of the provision of INR 308.50 lakhs (March 31, 2019 – INR 189.98 lakhs) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months and therefore provision is made on the basis of actuarial valuation obtained.

b. Post-employment obligations

Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contributions to recognized funds in India. The company maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

(ii) Defined contribution plans

a. Provident Fund

The company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the period towards defined contribution plan is INR 1,403.90 lakhs (March 31, 2019 – INR 1,196.21 lakhs).

b. Superannuation

The company contributed INR 74.92 lakhs (March 31, 2019 - INR 69.31 lakhs) to the superannuation plan. The same has been recognized in the Statement of profit and loss account under the head employee benefit expenses.

(iii) Balance sheet amounts – Gratuity

The amounts recognized in the balance sheet and the movements in the net defined benefit obligation over the year are as follows :

(All amounts in INR lakhs, unless otherwise stated)

Note 38 : Employee benefit obligations : *Contd.*

Particulars	*Present value of obligation*	*Fair value of plan assets*	*Net amount*
April 1, 2018	**1,541.23**	**(269.94)**	**1,271.29**
Current service cost	233.54	–	233.54
Past Service Cost	–	–	–
Interest expense/(income)	121.29	(21.24)	100.05
Total amount recognized in profit or loss	**354.83**	**(21.24)**	**333.59**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	–	14.48	14.48
(Gain)/loss - Due to change in demographic assumptions	–	–	–
(Gain)/loss - Due to change in financial assumptions	15.77	–	15.77
(Gain)/loss - Due to experience	50.49	–	50.49
Total amount recognized in other comprehensive income	**66.26**	**14.48**	**80.74**
Employer contributions	–	(20.00)	(20.00)
Benefit payments	(176.04)	176.04	–
March 31, 2019	**1,786.28**	**(120.66)**	**1,665.62**

Particulars	*Present value of obligation*	*Fair value of plan assets*	*Net amount*
April 1, 2019	**1,786.28**	**(120.66)**	**1,665.62**
Current service cost	**269.14**	**–**	**269.14**
Past Service Cost	**–**	**–**	**–**
Interest expense/(income)	**138.97**	**(9.39)**	**129.58**
Total amount recognized in profit or loss	**408.11**	**(9.39)**	**398.72**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	**–**	**17.97**	**17.97**
(Gain)/loss - Due to change in demographic assumptions	**(6.60)**	**–**	**(6.60)**
(Gain)/loss - Due to change in financial assumptions	**170.46**	**–**	**170.46**
(Gain)/loss - Due to experience	**100.63**	**–**	**100.63**
Total amount recognized in other comprehensive income	**264.49**	**17.97**	**282.46**
Employer contributions	**–**	**(129.59)**	**(129.59)**
Benefit payments	**(223.14)**	**223.14**	**–**
March 31, 2020	**2,235.74**	**(18.53)**	**2,217.21**

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	*March 31, 2020*	*March 31, 2019*
Present value of funded obligations	**2,235.74**	1,786.28
Fair value of plan assets	**(18.53)**	(120.66)
Deficit of funded plan	**2,217.21**	**1,665.62**
Unfunded plans	**–**	–
Deficit of gratuity plan	**2,217.21**	**1,665.62**

Notes (Standalone)

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(All amounts in INR lakhs, unless otherwise stated)

Note 38 : Employee benefit obligations : *Contd.*

(iv) Post-Employment benefits (gratuity)

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	March 31, 2020	*March 31, 2019*
Discount rate	6.82%	7.78%
Attrition rate	For service 4 years and below 20.00% p.a. For service 5 years and above 4.00% p.a.	2.00%
Salary growth rate	5.00%	5.00%

(v) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption		*Increase in assumption*		*Decrease in assumption*	
	March 31, 2020	*March 31, 2019*	*March 31, 2020*	*March 31, 2019*	*March 31, 2020*	*March 31, 2019*
Discount rate	**1%**	1%	**–**	–	**177.05**	162.89
Discount rate	**-1%**	-1%	**205.77**	192.07	**–**	–
Salary growth rate	**1%**	1%	**207.49**	195.58	**–**	–
Salary growth rate	**-1%**	-1%	**–**	–	**181.50**	168.33
Attrition rate	**1%**	1%	**23.66**	42.03	**–**	–
Attrition rate	**-1%**	-1%	**–**	–	**27.48**	48.75

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(vi) The major categories of plans assets are as follows:

	March 31, 2020	*March 31, 2019*
Gratuity :		
Unquoted		
Insurance fund	**18.53**	120.66
Total	**18.53**	**120.66**

(All amounts in INR lakhs, unless otherwise stated)

Note 38 : Employee benefit obligations : *Contd.*

(vii) Maturity profile of projected benefit obligation (from fund) :

	March 31, 2020	March 31, 2019
1st following year	203.57	146.78
2nd following year	149.53	62.64
3rd following year	158.25	144.31
4th following year	170.95	106.81
5th following year	163.17	121.90
Sum of years 6 to 10	905.29	689.04
Sum of years 11 and above	2,902.83	3,582.63

Note 39 : Leases

(a) Following are the changes in the Carrying value of Right to Use of Assets for the year ended March 31, 2020

Particulars	Category of ROU Assets				
	Plant & Machinery	Laboratory Equipments	Plant - Utilities	Software	Total
Balance as at March 31, 2019	–	–	–	–	–
Additions during the year	242.66	141.68	157.62	0.82	542.78
Depreciation charge during the year	(7.47)	(6.36)	(2.29)	(0.15)	(16.27)
Balance as at March 31, 2020	235.19	135.32	155.33	0.67	526.51

The aggregate depreciation expenses on Right to Use of Assets is included under Deprecation, Amortisation and Impairment Expenses in the Statement of Profit and Loss

(b) The following is the break-up of Current and Non-Current Lease Liabilities as at March 31, 2020

Particulars	March 31, 2020
Current Lease Liabilities (refer note no. 26)	51.75
Non Current Lease Liabilities (refer note no. 22)	549.10
Total, Lease Liabilities	600.85

(c) Following is the movement in Lease Liabilities during the year ended March 31, 2020

Particulars	March 31, 2020
Balance at the beginning of the year	–
Additions during the year	608.36
Finance cost accrued during the year	12.28
Payment of Lease Liabilities	(19.79)
Balance at the end of the year	600.85

(d) The following is a summary of future minimum lease rental commitments towards Finance Leases

Particulars	March 31, 2020	
	Minimum lease commitments	Present value of minimum lease commitments
Due within one year	107.11	51.75
Due in a period between one year and five years	408.28	232.34
Due after five years	407.06	316.76
Total minimum lease commitments	922.45	600.85
Less : Interest	(321.60)	
Present value of minimum lease commitments	600.85	

(All amounts in INR lakhs, unless otherwise stated)

Note 40 : Fair value measurement

Financial instruments by category	*March 31, 2020*		*March 31, 2019*	
	FVPL	*Amortised Cost*	*FVPL*	*Amortised Cost*
Financial Assets				
Investments				
Equity instruments	2.10		2.10	
Trade receivables		20,917.70		19,446.53
Non Current Other Financial assets		587.65		506.93
Cash and cash equivalents		2,348.08		2,071.90
Bank balances other than cash and cash equivalents		1,416.88		1,546.33
Current Other Financial Assets		371.78		1,015.28
Total Financial Assets	**2.10**	**25,642.09**	**2.10**	**24,586.97**
Financial Liabilities				
Bank Borrowings		26,280.52		29,749.47
Non Current Other Financial Liabilities		1,282.24		731.95
Current Other Financial Liabilities		6,369.40		5,383.32
Trade Payables		16,629.29		17,070.41
Total Financial Liabilities	–	**50,561.45**	–	**52,935.15**

Fair value hierarchy

Level 1 : Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in an active market (like forward contract) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities etc. included in level 3.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value	***March 31, 2020***			***March 31, 2019***		
	Level			***Level***		
	I	***II***	***III***	***I***	***II***	***III***
Financial Assets						
Investments						
Equity instruments		2.10			2.10	
Total Financial Assets	–	**2.10**	–	–	**2.10**	–

(All amounts in INR lakhs, unless otherwise stated)

Note 41 : Capital management

(a) Risk management

The company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The company monitors capital on the basis of the following gearing ratio : Net debt (total borrowings net of cash and cash equivalents) divided by Total Equity.

The company's strategy is to maintain a gearing ratio within 50%. The gearing ratios were as follows:

Particulars	*March 31, 2020*	*March 31, 2019*
Net Debt	**23,932.45**	27,677.57
Equity	**68,016.11**	66,108.32
Net debt to equity ratio	**35.2%**	**41.9%**

(b) Dividends

Particulars	*March 31, 2020*	*March 31, 2019*
(i) Equity shares		
Final dividend for the year ended March 31, 2019 of INR 0.30 (March 31, 2018 of INR 1.00) per fully paid share	**276.45**	921.50
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of INR 0.30 per fully paid equity share (March 31, 2019 – INR 0.30). This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	**276.45**	276.45

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Note 42 : Segment Information

(a) Description of segments and principal activities

The company has only one reporting segment of its business i.e. Pharmaceutical, wherein the group's strategic steering committee, consisting of the chief executive officer, the chief financial officer and the manager for corporate planning, examines the group's performance both from a product and geographic perspective.

The steering committee primarily uses a measure of adjusted earnings before other income, finance cost, tax, depreciation and amortisation (EBITDA, see below) to assess the performance of the operating segments. However, the steering committee also receives information about the segments' revenue and assets on a monthly basis.

(b) Adjusted EBITDA

Adjusted EBITDA excludes discontinued operations and the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as restructuring costs, impairments when the impairment is the result of an isolated, non-recurring event. It also excludes the effects of share-based payments and gains or losses on financial instruments.

Interest income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the company.

Particulars	*March 31, 2020*	*March 31, 2019*
Total adjusted EBITDA	**12,334.20**	**7,670.48**

Adjusted EBITDA reconciles to profit before income tax as follows:

Particulars	*Note No*	*March 31, 2020*	*March 31, 2019*
Total adjusted EBITDA		**12,334.20**	**7,670.48**
Finance costs	36	**2,625.20**	2,053.89
Other Income	30	**(242.98)**	(615.47)
Depreciation and Amortisation Expense	34	**7,081.12**	7,156.41
Profit before income tax from continuing operations		**2,870.86**	**(924.35)**

(c) Segment revenue

The segment revenue is measured in the same way as in the statement of profit or loss.

Geographical :

Particulars	*March 31, 2020*			*March 31, 2019*		
	India	*Outside India*	*Total*	*India*	*Outside India*	*Total*
Revenue from External Customers	**72,507.42**	**35,431.50**	**1,07,938.92**	65,555.18	28,581.52	**94,136.70**
Non Current Assets (*)	**65,605.08**	**–**	**65,605.08**	66,830.29	–	**66,830.29**

** Excluding financial assets, deferred & current tax assets*

Product :

Particulars	*March 31, 2020*	*March 31, 2019*
Revenue from Product	**1,01,183.93**	89,271.82
Revenue from Services	**6,754.99**	4,864.88
Total, Revenue	**1,07,938.92**	**94,136.70**

Notes (Standalone)
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Note 43 : Events occurring after the reporting period

Other events

Refer to note 41 for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting.

Note 44 : Earnings Per Share

Particulars	*Apr'19-Mar'20*	*Apr'18-Mar'19*
Basic & Diluted Earnings Per Share		
Total Operations		
Net Profit / (Loss) for the year	**2,424.82**	(284.11)
Weighted average numbers of equity shares	**9,21,50,355**	9,21,50,355
Basic & Diluted Earnings Per Share (₹ 2/-)	**2.63**	**(0.31)**

Note 45 : FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Audit Committee of the Board of Directors.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a Finance department, which evaluates and exercises independent control over the entire process of market risk management. The Finance department recommend the risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, finance department performs a comprehensive corporate interest rate risk management policy by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Note 45 : FINANCIAL RISK MANAGEMENT : *Contd.*

Exposure to interest rate risk

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Short Term Borrowings	**10,597.86**	11,339.36
Long Term Borrowings	**15,682.66**	18,410.11
Total Borrowings	**26,280.52**	**29,749.47**
% of Borrowings out of above bearing variable rate of Interest	**40.33%**	38.12%

Interest Rate Sensitivity

A change of 50 bps in interest rates would have following impact on Profit before Tax

(₹ in lakhs)

	2019-20	2018-19
50 BPS increase would decrease the Profit before Tax by	**52.99**	56.70
50 BPS decrease would (increase) the Profit before Tax by	**(52.99)**	(56.70)

Market Risk- Foreign currency risk.

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD, EURO, GBP and AUD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The company risk management policy is to hedge forecasted foreign currency sales for the subsequent 24 to 60 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge forecasted sales.

The company also imports certain materials and Capital Goods which are denominated in USD, EURO, GBP, CHF, JPY, CNY which exposes the company to foreign currency risk to minimise the risk of imports, the company hedges imports upto 12 to 60 months in advance by entering into foreign exchange forward contracts.

The spot component of forward contracts is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points.

Note 45 : FINANCIAL RISK MANAGEMENT : *Contd.*

Derivative instruments and unhedged foreign currency exposure

(a) Derivative outstanding as at the reporting date

(Foreign currency In lakhs)

	As at March 31, 2020		As at March 31, 2019	
	Currency	Amount	Currency	Amount
Forward Contract to Sell USD	USD	150.08	USD	84.09
Forward Contract to Buy USD	USD	–	USD	38.00
Forward Contract to Sell EURO	EURO	61.25	EURO	51.09
Forward Contract to Buy EURO	EURO	11.25	EURO	–
Forward Contract to Sell GBP	GBP	142.75	GBP	83.40
Forward Contract to BUY GBP	GBP	22.86	GBP	–
Swaps				
FCNR (B)	USD	28.03	USD	46.71
ECB	USD	–	USD	–
ECB	GBP	0.02	GBP	38.13
ECB	Euro	28.13	Euro	30.00

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

(b) Particulars of foreign currency exposures as at the reporting date

As at March 31, 2020 *(Foreign currency in lakhs)*

Particulars	USD	EURO	GBP	AUD
Trade Receivables	101.27	61.50	36.15	0.45
Trade Payables	23.86	14.53	–	–
Loans Taken - Short Term & long Term	41.43	28.13	22.88	–
Cash & Bank Balances	3.11	0.57	0.13	–

As at March 31, 2019 *(Foreign currency in lakhs)*

Particulars	USD	EURO	GBP	AUD
Trade Receivables	100.51	44.25	43.60	0.97
Trade Payables	18.83	30.74	0.01	–
Loans Taken - Short Term & long Term	84.71	30.00	38.13	–
Cash & Bank Balances	0.35	0.90	1.00	–

Note 45 : FINANCIAL RISK MANAGEMENT : *Contd.*

(c) Foreign Currency Risk Sensitivity

A change of 5% in foreign currency would have following Impact on Profit before Tax

(₹ in lakhs)

	2019-20		2018-19	
	5 % increase	5 % Decrease	5 % increase	5 % Decrease
USD	67.22	(67.22)	(3.18)	3.18
EURO	49.33	(49.33)	(17.31)	17.31
GBP	37.96	(37.96)	5.74	(5.74)
AUD	0.47	(0.47)	1.02	(1.02)
CHF	–	–	(0.03)	0.03
Increase / (Decrease) in profit or loss	**154.98**	**(154.98)**	**(13.76)**	**13.76**

Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- Significant increase in credit risk on other financial instruments of the same counterparty,
- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of Profit and Loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Notes (Standalone)
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(All amounts in INR lakhs, unless otherwise stated)

Note 45 : FINANCIAL RISK MANAGEMENT : *Contd.*

Ageing of Account receivables

(₹ in lakhs)

	As at March 31, '20	As at March 31, '19
Not due	10,653.30	10,244.34
0-3 Months	3,623.52	3,344.43
3 - 6 Months	865.55	574.89
6 Months and above	6,503.07	6,229.10
Total	**21,645.44**	**20,392.76**

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Movement in provisions of doubtful debts

(₹ in lakhs)

	As at March 31, '20	As at March 31, '19
Opening Provision	946.23	395.53
Add :- Additional provision made	79.86	550.70
Less : - Provision written off	236.15	–
Less : - Provision reversed	62.20	–
Closing Provisions	727.74	**946.23**

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in lakhs)

	As at March 31, '20	As at March 31, '19
Floating Rate		
Expiring within one year (Cash Credit and other facilities)	16,896.74	11,644.03
Expiring beyond one year (bank loans)	–	–

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR. The amount is arrived at based on the Sanctioned Limits by the Banks and the same is subject to change based on the Maximum Permissible Bank Finance (MPBF) and Drawing Power.

Notes (Standalone)
on financial statements for the year ended March 31, 2020
(All amounts in INR lakhs, unless otherwise stated)

Note 45 : FINANCIAL RISK MANAGEMENT : *Contd.*

(ii) Maturity patterns of Borrowings

(₹ in lakhs)

	As at March 31, 2020				As at March 31, 2019			
	0-1 Years	1-5 Years	> 5 years	Total	0-1 Years	1-5 Years	> 5 years	Total
Long term borrowings (Including current maturity of long term debt)	5,989.66	9,654.67	38.33	15,682.66	5,548.45	12,194.82	666.84	**18,410.11**
Short term borrowings	10,597.86	–	–	10,597.86	11,339.36	–	–	**11,339.36**
Total	16,587.52	9,654.67	38.33	26,280.52	**16,887.81**	**12,194.82**	**666.84**	**29,749.47**

(iii) Maturity Patterns of other Financial Liabilities

(₹ in lakhs)

As at March 31, 2020	0-3 Months	3-6 Months	Beyond 6 Months	Total
Trade Payable	15,169.02	–	–	15,169.02
Trade Payable related to Capital goods	249.76	–	1,210.51	1,460.27
Other Financial liability (Current and Non Current)	7,845.30	1,919.85	3,876.16	13,641.31
Total	23,264.08	1,919.85	5,086.67	30,270.60

(₹ in lakhs)

As at March 31, 2019	0-3 Months	3-6 Months	Beyond 6 Months	Total
Trade Payable	14,509.07	–	–	14,509.07
Payable related to Capital goods	220.41	–	2,340.93	2,561.34
Other Financial liability (Current and Non Current)	6,738.82	1,236.79	3,684.06	11,659.67
Total	**21,468.30**	**1,236.79**	**6,024.99**	**28,730.08**

Note 46 :

Contingent Liabilities not provided for:

(₹ in lakhs)

S.No.		Particulars	As at March 31, 2020	As at March 31, 2019
A)		Matters under dispute		
	i)	Sales Tax (₹ 448.56 lakhs has been paid under protest Previous year ₹ 406.51 lakhs) **	**1,013.29**	850.56
	ii)	Excise / Service Tax ***	**746.97**	499.76
	iii)	Income Tax *	**5.98**	9.12
B)		Bank Guarantees	**216.81**	224.40
C)		Letters of Credit	**2,234.33**	505.24
D)		Estimated amount of contracts remaining to be executed on Capital Account, net of advances of ₹ 235.30 lakhs (Previous year ₹ 120.26 lakhs)	**955.34**	422.99

Legal Case –

The Company had availed a factoring facility from a Bank who refused to pay the amount of USD 25,004 to the Company on failure of a Customer to pay for the same. The case is pending in the City Civil Court.

The company has filed a case against a stockiest under section 138 under Negotiable Instruments Act 1881 for cheque bounce of ₹2.23 Lakhs.

*** Income Tax demand comprises of**

a) ₹ 5.98 lakhs (Previous year - ₹ 9.12) appearing as TDS defaults on account of short Deduction / Short Payment & Interest thereon etc.

**** Sales Tax demand comprises of**

a) ₹ 189.81 Lakhs (Previous year – ₹ 189.81 Lakhs) demand pertaining to classification dispute under Andhra Pradesh VAT Act for the period April 2005 to March 2009. The Company has filed an appeal before High Court which is yet to be heard.

b) ₹ 619.19 Lakhs (Previous year – ₹ 619.19 Lakhs) demand pertaining to classification dispute under Andhra Pradesh VAT Act for the period April 2009 to December 2013. The Company has filed an appeal before Telangana VAT Appellate Tribunal Hyderabad which is yet to be heard.

c) ₹ 96.86 Lakhs (Previous year – ₹ Nil Lakhs) is penalty imposed on demand of April 09 to October 12 under Andhra Pradesh VAT Act for classification dispute. The Company has filed an appeal before Appellate Deputy Commissioner (CT), Hyderabad Rural Division which is yet to be heard.

d) ₹ 59.88 Lakhs (Previous year – ₹ Nil Lakhs) demand pertaining to classification dispute under Telangana VAT Act for the period Jan 14 to June 2017. The Company has filed an appeal before Appellate Deputy Commissioner (CT), Hyderabad Rural Division which is yet to be heard.

e) ₹ 5.98 Lakhs (Previous year – ₹ Nil Lakhs) is penalty imposed on demand pertaining to classification dispute under Telangana VAT Act for the period Jan 14 to June 2017. The Company has filed an appeal before Deputy Commissioner (CT), Saroornagar Division, Hyd which is yet to be heard.

f) ₹ 21.35 Lakhs (Previous year – ₹ 21.35 Lakhs) in respect of order from Asst. Commissioner (CT) Audit, Vijaywada for classification dispute. The Company has preferred an appeal before Appellate Deputy Commissioner (CT), Vijaywada. which is yet to be heard.

g) ₹ 20.21 Lakhs (Previous year – ₹ 20.21 Lakhs) as the amount of demand raised by sales tax officer for Financial Year 2007-08 and 2009-10 on account of input credit of entry tax. Company has filed appeal before Asst. Commissioner of Commercial Taxes, who has set aside the previous order and directed Assessing Officer for Re-assessment.

Note 46 : *Contd.*

*****Excise tax demand comprises of**

a) Company appeal is pending before CESTAT for wrong availment of notification on exempted goods ₹ 0.66 Lakhs (Previous year – ₹ 0.66 Lakhs).

b) Appeal pending before Divisional Dy. Commissioner, Boisar for classification dispute ₹ 5.04 Lakhs (Previous year – ₹ 5.04 Lakhs).

c) CENVAT credit on input service ₹ 91.97 Lakhs (Previous year – ₹ 91.97 Lakhs), appeal pending before CESTAT, Mumbai.

d) Company appeal is pending before Divisional Dy. Commissioner, Mumbai for wrong availment of CENVAT credit ₹ 0.79 Lakhs (Previous year – ₹ 0.79 Lakhs).

e) Central excise department is in appeal before Supreme Court for Differential duty on intermixture of vitamins / minerals amounting to ₹ 2.91 Lakhs (Previous year – ₹ 2.91 Lakhs).

f) CENVAT credit on input service ₹ 494.42 Lakhs (Previous year – ₹ 494.42 Lakhs), appeal pending before CESTAT, Mumbai.

g) Company appeal is pending before CESTAT for CENVAT credit availment on physician sample amounting to ₹ 0.20 Lakhs (Previous year – ₹ 0.20 Lakhs).

h) Central excise department is in appeal at Supreme Court for valuation of physician sample ₹ 11.20 Lakhs (Previous year – ₹ 11.20 Lakhs).

i) ₹ 139.78 Lakhs (Previous year – ₹ 139.78 Lakhs) pending before CESTAT, Mumbai for Exempted product-Allopurinol Value Based Duty Reversal.

Note 47 :

Assets Pledged As Security

The carrying amount of assets pledged as security for current and non-current borrowings are:

Particulars	*As at March 31, 2020*	*As at March 31, 2019*
Current Assets		
Financial Assets		
Floating Charge		
Receivables	**20,917.70**	19,446.53
Margin Money against L/c	**1,389.22**	1,515.63
Non Financial Assets		
Floating Charge		
Inventories	**20,823.99**	18,337.37
Total Current Assets Pledged as security	**43,130.91**	**39,299.53**
Non Current Assets		
First Charge		
Land & Building	**8,651.51**	4,931.87
Furniture, fittings and equipment	**682.19**	557.93
Plant and machinery	**26,557.99**	19,911.66
Others	**3,561.10**	2,545.62
Total non-current assets Pledged as security	**39,452.79**	**27,947.08**
Total assets pledged as security	**82,583.70**	**67,246.61**

Note 48 :

Related Party Disclosure as required by Ind AS 24

I. Related Parties

(A)	Enterprises that control or are controlled by the reporting company:	
	Holding Companies	NIL
	Subsidiary Companies	Xtend Industrial Designers & Engineers Pvt Ltd. Indoco Remedies Czech sro.
	Fellow Subsidiaries	NIL
(B)	Associates and Joint Ventures of reporting company:	
	Associates	NIL
	Joint Ventures	NIL
(C)	(i) Individuals owning and having control of the reporting company Mr. Suresh G Kare, Mrs. Aruna S Kare, Ms. Aditi Panandikar, Mrs. Madhura Ramani	
	(ii) Their relatives: Dr. Milind Panandikar, Mr. Ramnath Kare, Mrs. Sudha Pai, Mrs. Pratima Vaidya, Mrs. Amita Rajadhyaksha, Mrs. Meera Karnik, Ms. Mahika Panandikar, Mr. Rohan Ramani, Mr. Megh Panandikar	
(D)	(i) Key Management Personnel : Mr. Suresh G Kare, Ms. Aditi Panandikar, Mr. Sundeep V Bambolkar	
	(ii) Their Relatives : Mrs. Aruna S Kare, Mrs. Madhura A. Ramani, Mr. Ramnath Kare, Mrs. Suman Naik, Mrs. Sudha Pai, Dr. Milind Panandikar, Mrs. Neeta Bambolkar, Mr. Vasant Bambolcar, Ms. Manali Bambolkar, Mr. Paresh Bambolkar, Ms. Mahika Panandikar, Mr. Rohan Ramani, Mr. Megh Panandikar	
(E)	Enterprises controlled by key management personnel : SPA Holdings Pvt. Ltd., Shanteri Investments Pvt. Ltd., Indoco Capital Markets Ltd., A K Services, Suresh Kare Foundation, Warren Generics s.r.o,	

Notes (Standalone)
on financial statements for the year ended March 31, 2020
(All amounts in INR lakhs, unless otherwise stated)

Note 48 : *Contd.*

II. Transactions in respect of which disclosures to be made

(₹ in lakhs)

Particulars of transaction		*Enterprises that control or are controlled by reporting company*	*Associates and Joint Ventures of reporting company*	*Individuals owning and having control over the reporting company and their relatives*	*Key Management personnel and their relatives*	*Enterprises controlled by key management personnel*
		(A)	(B)	(C)	(D)	(E)
Purchases or sales of goods (finished or unfinished)	C. Y.	–	–	–	–	–
	P.Y.	–	–	–	–	–
Purchases or sales of fixed assets	C.Y.	–	–	–	–	–
	P.Y.	–	–	–	–	–
Rendering or receiving of services	C.Y.	**206.26**	–	–	–	**116.02**
	P.Y	194.60	–	–	–	100.47
Agency arrangements	C.Y.	–	–	–	–	–
	P.Y	–	–	–	–	–
Remuneration paid	C.Y	–	–	–	**607.62**	–
	P.Y.	–	–	–	510.71	–
Transfer of research and development		–	–	–	–	–
License agreements	C.Y.	–	–	–	**3.00**	–
	P.Y	–	–	–	3.00	3.54
Finance (including loans and equity contributions in cash or in kind)	C.Y	–	–	–	–	**0.70**
	P.Y	12.41	–	–	–	0.70
Guarantees and collaterals	C.Y	–	–	–	–	–
	P.Y	–	–	–	–	–
Management contracts including for deputation of employees		–	–	–	–	–
Receivable	C.Y	–	–	–	–	–
	P.Y	–	–	–	–	–
Payable	C.Y	**147.88**	–	–	–	**8.01**
	P.Y	73.62	–	–	–	–

Notes (Standalone)
on financial statements for the year ended March 31, 2020
(All amounts in INR lakhs, unless otherwise stated)

Note 48 : *Contd.*

Sr. No.	*Particulars of Remuneration*	*Name of Executive Chairman / MD / JT. MD*			*Total Amount*
		Mr. Suresh G Kare	Ms. Aditi Panandikar	Mr. Sundeep V Bambolkar	
1	Salary as per Provisions contained in Section 17 (1) of the Income tax Act ,1961	207.00	161.28	147.07	515.35
	Value of Perquisites under Section 17 (2) Income tax Act,1961	0.39	2.79*	2.79*	5.97*
	Profit in Lieu of Salary under Section 17 (3) Income tax Act,1961	–	–	–	–
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission / Incentive	–	–	–	–
5	Others, Please Specify – PF , SA	16.56	36.76	32.98	86.30
	Total (1+5)**	223.95	200.83	182.84	607.62
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)**				

** Consists of Company contribution to Super Annuation Fund which is not considered while calculating the ceiling of Remuneration specified above under Section 198 of the Companies Act, 2013.*

III. Transactions with related parties in ordinary course/ not in normal course/ not on an arm's length basis

Particulars of transaction		*Enterprises that control or are controlled by reporting company*	*Associates and Joint Ventures of reporting company*	*Individuals owning and having control over the reporting company and their relatives*	*Key Management personnel and their relatives*	*Enterprises controlled by key management personnel*
		(A)	(B)	(C)	(D)	(E)
(i) Transactions in the ordinary course	C.Y.	206.26	–	–	610.62	116.72
	P.Y	207.01	–	–	513.71	104.71
(ii) Transactions not in the normal course		–	–	–	–	–
(iii) Transactions not on an arm's length basis		–	–	–	–	–
(iv) Justification for (iii)		–	–	–	–	–

Notes (Standalone)
on financial statements for the year ended March 31, 2020
(All amounts in INR lakhs, unless otherwise stated)

Note 49 :

Expenditure on R&D

(₹ In lakhs)

	2016-17	2017-18	2018-19	2019-20
Building	–	–	8.42	–
Equipment & other capital expenditure	1,098.44	290.52	146.61	348.22
Total Capital Expenditure	**1,098.44**	**290.52**	**155.03**	**348.22**
Revenue Expenditure	5,171.04	5,348.97	5,151.55	4,970.21
Total R & D Expenditure	**6,269.48**	**5,639.49**	**5,306.58**	**5,318.43**

Note: As per requirement of Department of Scientific and Industrial Research expenses for period 2016-17 and 2017-18 are also covered

Note 50 :

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows:

(₹ In lakhs)

S.No.	Particulars	2019-20	2018-19
A	Principal Amount & Interest due on the above	**1.19**	**6.66**
B	Interest paid during the year beyond the appointed day	–	–
C	Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act	–	–
D	Amount of interest accrued and remaining unpaid at the end of the year.	–	–
E	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small Enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the ACT.	–	–

The above information regarding Micro Enterprises and small Enterprises has been determined on the basis of information available with the Company. No interest has been accrued on delayed payments, if any.

Note 51 :

Previous year's figures have been regrouped and reclassified wherever necessary.

As per our Report of even date attached
For **Gokhale & Sathe**
Chartered Accountants
Firm Registration no.: 103264W

Tejas Parikh
Partner
M. No. 123215

Aditi Panandikar
Managing Director
DIN : 00179113

Mandar Borkar
CFO

Sundeep V Bambolkar
Jt. Managing Director
DIN : 00176613

Jayshankar Menon
Company Secretary

Mumbai : June 24, 2020