Notes

to the standalone financial statements for the year ended 31 March 2020

1 General Information

Alkem Laboratories Limited ('the Company') was incorporated in 1973 under the provisions of Companies Act, 1956 of India, as a company with limited liability. The Company is domiciled in India with its registered office address being Alkem House, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, India.The Company is engaged in pharmaceutical business with global operations. The Company is engaged in the development, manufacture and sale of pharmaceutical and nutraceutical products.

2A Significant accounting policies:

2.1 Basis of preparation of Standalone Financial Statements ("financial statements"):

a) Statement of compliance

The financial statements of the Company as at and for the year ended March 31, 2020 have been prepared in accordance with Indian Accounting standards ('Ind AS') notified by the Ministry of Corporate Affairs in consultation with the National Advisory Committee on Accounting Standards, under section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and the relevant provisions of the Act.

The Financial statements are prepared in Indian rupees rounded off to the nearest million except for share data and per share data, unless otherwise stated.

The financial statements are authorised for issue by the Board of Directors of the Company at its meeting held on 5 June 2020.

b) Basis of preparation and presentation

The preparation of financial statements in accordance with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in **Note 2B**. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,

b) Held primarily for the purpose of trading,

c) Expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

a) it is expected to be settled in normal operating cycle,

b) it is held primarily for the purpose of trading,

c) it is due to be settled within twelve months after the reporting period

d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

c) Basis of measurement

These financial statements are prepared under historical cost convention unless otherwise indicated.

d) Functional and Presentation Currency

These financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

2.2 Property, plant and equipment ("PPE"):

i) Recognition and Measurement

a) Items of Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of an item of Property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition for its intended use and any trade discount and rebates are deducted in arriving at purchase price. Cost of the assets also includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use incurred up to that date.

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

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

d) Cost of Items of Property, plant and equipment not ready for intended use as on the balance sheet date, is disclosed as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advance under Other non current assets.

ii) Subsequent expenditure

Subsequent expenditure relating to PPE is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

iii) Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed under Schedule II to the Act or as per technical assessment. The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which is asset is ready to use /(disposed of). Freehold land is not depreciated.

PPE	Useful Life
Leasehold Land	Over the period of Lease
Buildings	5 Years to 59 Years
Plant and Equipment	1 Years to 20 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Office Equipments	3 Years to 6 Years

2.3 Intangible Assets:

i) Recognition and measurement

Research and development	Expenditure on research activities is recognised in profit or loss as incurred.
	Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.
Other intangible assets	Other intangible assets, such as computer software and trademarks and patents, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in Statement of profit and loss as incurred.

iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in Statement of profit and loss. The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

The estimated useful lives for current and comparative periods are as follows:

Intangible Assets	Useful Life
Computer Software	3 Years to 6 Years
Right of use	Over the period of lease
Trade Marks & Patents	5 Years

2.4 Impairment of non-financial assets:

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the

Notes

to the standalone financial statements for the year ended 31 March 2020

smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash generating units ("CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.5 Leases:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company uses significant judgement in assessing the lease term and the applicable discount rate. The Company determines the lease term based on the term mentioned in lease agreements. The renewal aspect has not been added to the lease term since the option to renew the lease lies with both the lessor and the lessee. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Leases of Property, Plant and Equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or the financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2.6 Financial instruments:

Recognition initial measurement

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

A financial asset or financial liability is initially measured at fair value, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI -debt investment;
- FVOCI -equity investment; or
- FVTPL

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated -e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

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

Financial assets: subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Notes

to the standalone financial statements for the year ended 31 March 2020

Financial liabilities: Classification, subsequent measurement and gains and losses

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

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers not retains substantially all of the risks and rewards of ownership but does not retain control of the financial asset.

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

Financial liabilities

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

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

Offsetting

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

2.7 Equity instruments

Equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets.

2.8 Inventories:

a) Raw Materials and Packing Materials are valued at cost, if the finished products in which they will be incorporated are expected to be sold at or above cost. If the decline in price of materials indicate that the cost of finished goods exceeds net realisable value, the materials are written down to net realisable value; cost is calculated on moving weighted average basis.

b) Finished Goods and Work–in–Progress are valued at lower of cost (on Moving weighted average basis) and net realisable value. In respect of finished goods, cost includes materials, appropriate share of utilities and other overheads. Trading Goods are valued at lower of cost (on Moving weighted average basis) and net realisable value. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

2.9 Revenue Recognition and measurement:

a) Revenue from sale of goods is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

   Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, allowances and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for discounts, probable saleable and non-saleable return of goods from the customers. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

b) Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

c) Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and no significant uncertainty exist regarding its ultimate collection.

d) Revenue (including in respect of insurance or other claims, etc.) is recognised when it is reasonable to expect that the ultimate collection will be made.

e) Income from research and product registration (dossiers) services are deferred and allocated to the sales price of the product based on the best estimate of the sales that will be made by the contracting party over the contract period.

f) Interest income is recognized using the effective interest rate (EIR) method.

g) Dividend from investment is recognised as revenue when right to receive dividend is established.

2.10 Foreign currencies

i. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- equity investments measured at fair value through other comprehensive income (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

2.11 Employee Benefits:

a) Post Employment Benefits and Other Long Term Benefits:

i) Defined Contribution Plan:

Company's contribution for the year paid/ payable to defined contribution retirement benefit schemes are charged to Statement of Profit and Loss

The Company's contribution towards provident fund and superannuation fund for eligible employees are considered to be defined contribution plan for which the Company made contribution on monthly basis.

ii) Defined Benefit and Other Long Term Benefit Plans:

Company's liabilities towards defined benefit plans and other long term benefits viz. gratuity and compensated absences expected to occur after twelve months, are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the balance sheet date. Actuarial gains and losses are recognised in the Statement of Other Comprehensive income in the period of occurrence of such gains and losses for gratuity. In respect of compensated absences, actuarial gains/losses, if any, are recognised immediately in the Statement of Profit and Loss. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets, if any.

b) Short term Employee Benefits:

Short term employee benefits are benefits payable and recognised in 12 months. Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the year as the related service are rendered by the employee. These benefits include performance incentives.

2.12 Taxes on Income:

Income tax expense represents the sum of the current tax and deferred tax.

i) Current tax

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

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

Minimum Alternate Tax (MAT) under the provision of Income Tax Act, 1961 is recognized as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is resonable evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented as Deferred Tax Asset.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. However, deferred tax is not recognised

- in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit
- in case of temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognised
- in case of temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future

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

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

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

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

2.13 Borrowing Costs:

Borrowing costs are interest and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the Statement of Profit and Loss of the period in which they are incurred.

2.14 Provision, Contingent Liabilities and Contingent Assets:

A provision is recognised if as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount can not be estimated

Notes

to the standalone financial statements for the year ended 31 March 2020

reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

2.15 Earnings per share ('EPS')

Basic EPS is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

2.16 Government Grants:

Grants related to depreciable assets are treated as deferred income which is recognised in the Statement of profit and loss on a systematic and rational basis over the useful life of the asset. Such allocation to income is usually made over the periods and in the proportions in which depreciation on related assets is charged. Government Grants of revenue nature is reduced from related expenses in the statement of Profit and Loss in the year of its receipt or when there is a reasonable assurance of its being received.

2.17 Non-current assets held for sale:

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less cost to sale. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the statement of profit and loss.

Once classified as held for sale, property, plant and equipment are no longer depreciated.

2.18 Cash and cash equivalents:

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank including fixed deposits (having original maturity of less than 3 months), cheques in hand and cash in hand.

2.19 Business Combinations:

Business combinations between entities under common control is accounted using pooling of interest method of accounting. Under pooling of interest method of accounting, none of the assets or liabilities is restated to their fair values. Instead, the acquirer incorporates carrying values from the date on which the business combination between entities under common control occurred.

2B Key accounting estimates and judgements

The preparation of financial statements in conformity with the Ind AS requires judgements, estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and, accordingly, provide an explanation of each below. The discussion below should also be read in conjunction with the Company's disclosure of significant accounting policies which are provided in **Note 2A** to the standalone financial statements, 'Significant accounting policies'.

a. Estimate of current and deferred tax

The Company's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows.

The complexity of the Company's structure makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Company and it is often dependent on the efficiency of the legal processes in the relevant taxing jurisdictions in which the Company operates. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result there can be substantial differences between the tax charge in the Statement of Profit and Loss and tax payments. The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences

Notes

to the standalone financial statements for the year ended 31 March 2020

can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

b. Recognition of MAT credit entitlement

The credit availed under MAT is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. This requires significant management judgement in determining the expected availment of the credit based on business plans and future cash flows of the Company.

c. Estimation of useful life

The useful life used to amortise or depreciate intangible assets or property, plant and equipment respectively relates to the expected future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from the asset based on its technical expertise. 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. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Statement of Profit and Loss.

The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. 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.

d. Provisions and contingent liabilities

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

e. Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for the financial reporting purposes. Central corporate treasury team works with various banks for determining appropriate fair value of derivative assets and liabilities. Central treasury team reports to the Chief Financial Officer. In estimating the fair value of derivative assets and liabilities, the Company uses market-observable data to the extent it is available.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in **Note 3.36**.

f. Defined Benefit Plans:

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

g. Provision for anticipated sales return:

In determining the provision for anticipated sales returns, estimates for probable saleable and non-saleable returns of goods from the customers are made on scientific basis after factoring in the historical data of such returns and its trend.

Notes

to the standalone financial statements for the year ended 31 March 2020

3.1 Property, Plant and Equipment, Other Intangible Assets and Capital Work in Progress

(₹ in million)

Particulars	Property plant and equipment								Intangible assets				Capital work in progress
	Freehold land	Leasehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Total	Computer software	Right of use	Trade Mark & patents	Total	
As at 1 April 2018	1,183.2	498.2	4,317.2	9,365.4	314.2	282.2	574.6	16,535.0	206.7	-	395.2	601.9	
Additions	-	-	555.6	2,040.7	44.6	35.7	145.3	2,821.9	91.0	-	65.4	156.4	
Deletions	-		(5.4)	(114.2)	(2.8)	(19.6)	(5.0)	(147.0)	(0.3)	-	-	(0.3)	
Reclassification to non-current assets held for sale	(3.5)	-	-	(227.8)	(0.7)	-	(4.2)	(236.2)	-	-	-	-	
As at 31 March 2019	**1,179.7**	**498.2**	**4,867.4**	**11,064.1**	**355.3**	**298.3**	**710.7**	**18,973.7**	**297.4**	**-**	**460.6**	**758.0**	
As at 1 April 2019	**1,179.7**	**498.2**	**4,867.4**	**11,064.1**	**355.3**	**298.3**	**710.7**	**18,973.7**	**297.4**	**646.2**	**460.6**	**1,404.2**	
Additions	-	28.0	1,115.4	1,455.4	24.2	17.8	84.3	2,725.1	22.1	92.2	777.2	891.5	
Adjustments (Refer note 6 below)	3.5	-	-	227.8	0.7	-	4.2	236.2	-	-	-	-	
Deletions	(3.5)	-	(61.7)	(55.9)	(0.1)	(10.3)	(3.6)	(135.1)	-	-	-	-	
Reclassification to non-current assets held for sale	-	-	-	(546.6)	(26.0)	-	(5.7)	(578.3)	-	-	-	-	
As at 31 March 2020	**1,179.7**	**526.2**	**5,921.1**	**12,144.8**	**354.1**	**305.8**	**789.9**	**21,221.6**	**319.5**	**738.4**	**1,237.8**	**2,295.7**	
Depreciation and Amortisation													
As at 1 April 2018	**-**	**10.3**	**217.3**	**1,553.2**	**88.1**	**61.1**	**206.5**	**2,136.5**	**107.6**	**-**	**182.9**	**290.5**	
Depreciation/amortisation for the year	-	7.0	133.3	929.0	38.1	36.9	124.9	1,269.2	57.0	-	84.5	141.5	
Deductions	-	-	(0.1)	(96.9)	(2.0)	(11.7)	(2.4)	(113.1)	(0.2)	-	-	(0.2)	
Reclassification to non-current assets held for sale	-	-	-	(55.6)	(0.1)	-	(0.8)	(56.5)	-	-	-	-	
As at 31 March 2019	**-**	**17.3**	**350.5**	**2,329.7**	**124.1**	**86.3**	**328.2**	**3,236.1**	**164.4**	**-**	**267.4**	**431.8**	
As at 1 April 2019	**-**	**17.3**	**350.5**	**2,329.7**	**124.1**	**86.3**	**328.2**	**3,236.1**	**164.4**	**-**	**267.4**	**431.8**	
Depreciation/amortisation for the year	-	7.5	159.1	1,097.2	41.7	37.3	136.8	1,479.6	66.4	139.2	183.2	388.8	
Adjustments (Refer note 6 below)	-	-	-	55.6	0.1	-	0.8	56.5	-	-	-	-	
Deductions	-	-	(5.3)	(10.6)	(0.1)	(5.1)	(1.2)	(22.3)	-	-	-	-	
Reclassification to non-current assets held for sale	-	-	-	(393.5)	(23.2)	-	(4.1)	(420.8)	-	-	-	-	
As at 31 March 2020	**-**	**24.8**	**504.3**	**3,078.4**	**142.6**	**118.5**	**460.5**	**4,329.1**	**230.8**	**139.2**	**450.6**	**820.6**	
Net Book Value													
As at 31 March 2019	1,179.7	480.9	4,516.9	8,734.4	231.2	212.0	382.5	15,737.6	133.0	-	193.2	326.2	3,815.9
As at 31 March 2020	**1,179.7**	**501.4**	**5,416.8**	**9,066.4**	**211.5**	**187.3**	**329.4**	**16,892.5**	**88.7**	**599.2**	**787.2**	**1,475.1**	**3,136.6**

1. Addition to Property, Plant and Equipment includes items aggregating ₹ **85.5 million** (For the year ended 31 March 2019 ₹ 153.5 million) located at Research and Development Centres of the Company.

Notes
to the standalone financial statements for the year ended 31 March 2020

2. Capital work in progress comprises expenditure in respect of various plants in the course of construction/expansion. Total amount of Capital work in progress is ₹ **3,136.6 million** as at 31 March 2020 (31 March 2019: ₹ 3,815.9 million). This amount also includes capitalized borrowing costs related to the construction of various plants of ₹ **39.6 million** (For the year ended 31 March 2019: ₹ 57.8 million).

3. **Refer Note 3.26(b)(1)** for contractual commitments with respect to property, plant and equipments.

4. **Refer Note 3.29(b)** for future obligation pertaining to finance lease.

5. Exclusive charge by way of hypothecation over the whole of the moveable properties (save and except current assets) including its movable plant and machinery, machinery spares, tools and accessories and other movable, both present and future subject to a maximum book value of ₹ **2,150 million** - situated at Daman and Sikkim in India against issuance of Stand by letter of credit required for loan of US $ 19.0 million advanced by Citi Bank USA to S&B Pharma Inc., USA, a wholly owned subsidiary of the Company.

6. During the year ended 31 March 2020, certain assets, which were categorised as assets held for sale as at 31 March 2019 have been reclassified to Property, Plant and Equipment.

7. Depreciation and amortisation expense:

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation expense	1,479.6	1,269.2
Amortisation expense	388.8	141.5
Total	**1,868.4**	**1,410.7**

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Notes

to the standalone financial statements for the year ended 31 March 2020

3.2 Investments:

(₹ in million)

Particulars	Units as at		Face Value	As at 31 March 2020		As at 31 March 2019	
	31 March 2020	31 March 2019		(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)
Non-Current Investments							
In Equity Shares Unquoted: [at cost]							
A) Investment in Subsidiaries:							
Alkem Laboratories (Pty.) Limited, South Africa	49,960	49,960	Rand 10	68.8		68.8	
Alkem Laboratories Corporation, Philippines	3,567,622	3,567,622	Peso	485.0		485.0	
(Including 5 shares held by the nominees)			100				
Ascend GmbH, Germany (formerly known as Alkem Pharma GmbH) **[Refer Note 2 (a)]** (One share of Euro 250, second share of Euro 24,750 and third share of Euro 751,880)	3	2	NA	160.9		1.7	
Ascend Laboratories Sdn. Bhd., Malaysia	2	2	Ringgit	**0.0**		0.0	
(₹ 91)			1				
S & B Holdings B.V., Netherlands	35,590,552	35,590,552	Euro	2,897.2		2,897.2	
			1				
Alkem Laboratories Korea Inc., South Korea	15,000	15,000	Korean Won	0.1		0.1	
			100				
Ascend Laboratories SpA, Chile	5,427	5,427	NA	281.0		281.0	
(1000 Nominative Shares, without par value)							
Pharmacor Limited, Kenya	1,000	1,000	Shillings	0.1		0.1	
			100				
Pharmacor Pty Limited, Australia	68,313,954	68,313,954		224.7		224.7	
Ascend Laboratories (UK) Limited, UK	250,000	250,000	GBP	9.9		9.9	
(issued capital 250,000 shares of 1 GBP of which 40 Pence is called up & paid)			1				
S&B Pharma Inc., USA **[Refer Note 2 (b)]**	120,202	83,557	USD	5,138.9		3,275.9	
			0.01				
Cachet Pharmaceuticals Private Limited, India	10,484	10,484	INR	888.9		888.9	
			100				
Indchemie Health Specialities Private Limited, India	127,500	127,500	INR	1,640.7		1,640.7	
			10				
Enzene Biosciences Limited, India **[Refer Note 2 (c)]**	32,326,493	25,119,000	INR	5,140.0		3,890.0	
			10				
Ascend Laboratories SAS, Colombia **[Refer Note 2 (d)]**	322,000	-	COP	7.0		-	
			1,000				
Ascend Laboratories Limited, Canada **[Refer Note 2 (e)]**	20,000	-	CAD	1.1		-	
			1				
Alkem Foundation, India	10,000	10,000	INR	0.1		0.1	
			10		16,944.4		13,664.1
Investment in Limited Liability Partnership Firm: Unquoted (Trade): [at cost]							
The PharmaNetwork LLP, Kazakhstan					157.6		157.6
Investment in Subsidiaries - Sub total (A)					**17,102.0**		**13,821.7**

Notes

to the standalone financial statements for the year ended 31 March 2020

(₹ in million)

Particulars	Units as at 31 March 2020	Units as at 31 March 2019	Face Value	As at 31 March 2020 (₹ in million)	As at 31 March 2020 (₹ in million)	As at 31 March 2019 (₹ in million)	As at 31 March 2019 (₹ in million)
B) Other Non-current Investments:							
In Equity Shares of Other Companies Unquoted [at fair value through profit and loss]:-					2.1		2.1
Investment In Venture Capital Fund :Unquoted (Non Trade) [at fair value through profit and loss]:					302.4		370.6
Non Convertible Debentures [at amortised cost]							
Unquoted					20.0		20.0
Quoted					165.0		175.0
Bonds :[at amortised cost] : - Quoted					353.7		374.8
Other Non Current Investments - Sub total (B)					843.2		942.5
Total (A+B)					17,945.2		14,764.2

Notes:

1) **Details of M/s The PharmaNetwork LLP, Kazakhstan:**

Particulars	As at 31 March 2020 Profit Sharing Ratio	As at 31 March 2020 Capital Accounts	As at 31 March 2019 Profit Sharing Ratio	As at 31 March 2019 Capital Accounts
M/s Alkem Laboratories Limited	100.00%	157.6	100.00%	157.6
TOTAL	100.00%	157.6	100.00%	157.6

2) **During the year, the Company has contributed by way of capital contribution:**

a) ₹ **159.2 million** in wholly owned subsidiary in Germany viz, "Ascend GmbH".

b) ₹ **1,862.9 million** in wholly owned subsidiary in United States of America viz, "S&B Pharma Inc.".

c) ₹ **1,250.0 million** in subsidiary in India viz, "Enzene Biosciences Limited".

d) ₹ **7.0 million** in subsidiary in Colombia viz, "Ascend Laboratories SAS".

e) ₹ **1.1 million** in subsidiary in Canada viz, "Ascend Laboratories Limited".

C. Current Investments

Particulars	As at 31 March 2020 (₹ in million)	As at 31 March 2020 (₹ in million)	As at 31 March 2019 (₹ in million)	As at 31 March 2019 (₹ in million)
1) **Investment in funds : (Unquoted) [at fair value through profit and loss]**				
Avenue Venture Real Estate Fund (Units of ₹ 100,000 each, fully paid-up) **- Refer sub note 5 of Note 3.2**	1,460.0		2,003.4	
		1,460.0		2,003.4
2) **Preference Shares: [at amortised cost]**		8.1		8.1
3) **Investment In Mutual Funds Quoted(Non Trade) [at fair value through profit and loss]:**		137.1		180.3
4) **Non Convertible Debentures :[at amortised cost] : - Quoted**		10.0		-
Total		1,615.2		2,191.8

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Notes
to the standalone financial statements for the year ended 31 March 2020

Notes:

(₹ in million)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Book Value	Market Value	Book Value	Market Value
1) Aggregate value of Quoted investments	665.8	665.8	730.2	730.2
2) Aggregate value of Unquoted investments	18,894.6	N.A.	16,225.7	N.A.
3) Aggregate amount of impairment in the value of Investments	-		-	

4) All Investments in Shares & Securities are fully paid up. (Except **Refer Note 3.26(b)-2)**

5) During the year ended 31 March 2016, pursuant to the approval of the Board of Directors in its meeting held on 9 March 2016, the Company in order to focus on its core business activities and for other commercial reasons, restructured its investment in **Avenue Venture Real Estate Fund ("Fund")** by entering into an Option Agreement with Mr. Tushar Kumar for grant of unconditional option exercisable without restriction at the option of the option holder to purchase the trust units held by the Company in the Fund at an option price of 102% of the fair market value of each trust unit as on the exercise date. This Option Agreement which was in force for a period of 2 years from the execution date i.e 10 March 2016 was renewed with mutual consent of the parties through First Supplementary Agreement for a period of 2 years valid till 9 March 2020. During the year ended 31 March 2020, the Company had renewed the said Option Agreement, by executing a Second Supplementary Agreement, as approved in its Board meeting held on 11 November 2019 for a further period of 2 years valid till 9 March 2022.

3.3 Loans

(₹ in million)

Particulars		As at 31 March 2020	As at 31 March 2019
A.	**Non-current loans**		
	Loans to subsidiary companies **(Refer Note 3.35)**	259.7	35.4
	Less: Loss allowance	-	-
		259.7	35.4
	Security deposits	-	23.0
	Other receivables	75.0	68.9
	TOTAL	**334.7**	**127.3**
B.	**Current loans**		
	Loans and advances to employees*	146.4	169.3
	Security deposits	87.5	93.2
	TOTAL	**233.9**	**262.5**
*Includes loan to related party of ₹ **Nil** (31 March 2019: ₹ 0.5 million) **(Refer note 3.35)**			
Break-up of security details			
Loans considered good - Secured		-	-
Loans considered good - Unsecured		568.6	389.8
Loans which have significant increase in credit risk		-	-
Loans - credit impaired		-	-
Total		**568.6**	**389.8**
Less: Loss allowance		-	-
Total loans		**568.6**	**389.8**

Notes

to the standalone financial statements for the year ended 31 March 2020

3.4 Other financial assets

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
A. Other non current financial assets		
(Unsecured, considered good unless otherwise stated)		
In deposit Accounts:		
Bank deposits with maturity beyond 12 months	38.5	117.4
Interest on deposits, accrued but not due	0.8	23.9
Other receivables	10.1	19.9
TOTAL	**49.4**	**161.2**
B. Other current financial assets		
(Unsecured, considered good unless otherwise stated)		
Interest on deposits, accrued but not due	242.3	97.1
Other receivables*	31.8	61.6
Incentive receivable from government	1,541.2	851.7
TOTAL	**1,815.3**	**1,010.4**

Note:

*Includes insurance claim receivable ₹ **1.4 million** (31 March 2019: ₹ 36.5 million)

3.5 Other non-current assets

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured, considered good unless otherwise stated)		
Capital advances	257.5	281.6
Balances with government authorities	254.4	265.8
Other advances	2.1	2.2
Prepaid expenses	-	4.5
TOTAL	**514.0**	**554.1**

3.6 Inventories

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Raw and packing materials	4,198.0	3,448.1
Goods-in-transit	67.6	141.4
	4,265.6	**3,589.5**
Work-in-progress	683.1	545.6
Finished goods	2,424.6	2,431.5
Goods-in-transit	1,942.0	1,563.2
	4,366.6	**3,994.7**
Stock-in-trade	1,446.5	1,700.7
Goods-in-transit	164.0	82.3
	1,610.5	1,783.0
	10,925.8	**9,912.8**

Note:

1. The Company follows suitable provisioning norms for writing down the value of inventories towards slow moving, non moving, expired and non saleable inventory. Write down of inventory for the year ended 31 March 2020 is ₹ **351.5 million** (31 March 2019: ₹ 448.8 million)

Notes

to the standalone financial statements for the year ended 31 March 2020

3.7 Income tax

(A) Components of Income Tax Expenses

(i) Tax Expense recognised in profit and loss

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax		
Current year tax	2,783.3	2,004.1
Tax adjustment of earlier periods	(313.8)	-
	2,469.5	**2,004.1**
Deferred tax charge/(credit) (net)		
Minimum Alternate Tax (MAT) credit entitlement	(1,647.9)	(605.6)
MAT credit entitlement of earlier years written off	155.2	-
Origination and reversal of temporary differences	(240.2)	42.7
	(1,732.9)	**(562.9)**
Tax expense for the year	**736.6**	**1,441.2**

(ii) Tax recognised in other comprehensive income

(₹ in million)

Particulars	For the year ended 31 March 2020			For the year ended 31 March 2019		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(265.6)	92.8	(172.8)	(64.3)	22.5	(41.8)
TOTAL	(265.6)	92.8	(172.8)	**(64.3)**	**22.5**	**(41.8)**

(B) Reconciliation of effective tax rate

(₹ in million)

Particulars	(%)	For the year ended 31 March 2020	(%)	For the year ended 31 March 2019
Profit before tax		13,380.8		9,439.6
Tax using the Company's applicable tax rate (Current year 34.9% and Previous Year 34.9%)	34.9%	4,675.3	34.9%	3,298.2
Tax effect of:				
Long term capital gains taxable at lower rate / exempt under income tax	0.0%	(1.1)	0.1%	13.0
Deferred tax reversal during tax holiday period	-0.3%	(44.0)	0.0%	-
Additional deduction allowed under income tax act in respect of Section 80(IE), 80(IB)	-25.4%	(3,394.7)	-18.1%	(1,706.8)
MAT credit entitlement of earlier years written off	1.2%	155.2	0.0%	-
Additional allowances under income tax in respect of Section 35(2AB)	-1.9%	(259.9)	-2.9%	(277.0)
Utilization of previously written off MAT credit#	0.0%	-	-1.4%	(136.7)
Others	-2.9%	(394.2)	2.7%	250.3
	5.5%	736.6	15.3%	1,441.2

The Company's applicable tax rates for the years ended 31 March 2020 and 31 March 2019 were **34.9%** and 34.9%, respectively. Income tax expense was ₹ **736.6 million** for the year ended 31 March 2020, as compared to income tax expense of ₹ 1,441.2 million for the year ended 31 March 2019.

The Company's effective tax rate for the year ended 31 March 2020 was **5.5%** (31 March 2019: 15.3%)

The effective tax rate for the year ended 31 March 2020 and 31 March 2019 was lower primarily as a result of additional allowance under Income tax.

Notes

to the standalone financial statements for the year ended 31 March 2020

During the year ended 31 March 2020, the Company has utilized Minimum Alternate Tax ("MAT") credit amounting to ₹ **Nil** (31 March 2019: ₹ 136.7 million) written off in the year ended 31 March 2016. The current tax charge for the year ended 31 March 2019 is after utilizing MAT credit of said amount.

(C) Movement in deferred tax assets and liabilities

(₹ in million)

Particulars	Net balance 1 April 2019	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2020
Deferred Tax Liabilities:				
Property, plant and equipment and Intangible assets	(1,776.8)	(8.8)	-	(1,785.6)
Investments	(213.6)	131.6	-	(82.0)
Deferred Tax Assets:				
Employee benefits	597.7	76.1	92.8	766.6
Trade receivables	94.3	19.9	-	114.2
Deferred Government Grant	36.3	(4.1)	-	32.2
Other items	33.6	25.5	-	59.1
MAT credit entitlement	7,594.4	1,492.7	-	9,087.1
Deferred Tax Assets / (Liabilities)	6,365.9	1,732.9	92.8	8,191.6
Offsetting of deferred tax assets and deferred tax liabilities				
Net Deferred Tax Assets / (Liabilities)	**6,365.9**	**1,732.9**	**92.8**	**8,191.6**

(₹ in million)

Particulars	Net balance 1 April 2019	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2019
Deferred Tax Liabilities:				
Property, plant and equipment and Intangible assets	(1,589.3)	(187.5)	-	(1,776.8)
Investments	(228.9)	15.3	-	(213.6)
Deferred Tax Assets:				
Employee benefits	480.3	94.9	22.5	597.7
Trade receivables	71.1	23.2	-	94.3
Deferred Government Grant	39.5	(3.2)	-	36.3
Other items	19.0	14.6	-	33.6
MAT credit entitlement	6,988.8	605.6	-	7,594.4
Deferred Tax Assets / (Liabilities)	5,780.5	562.9	22.5	6,365.9
Offsetting of deferred tax assets and deferred tax liabilities				
Net Deferred Tax Assets / (Liabilities)	5,780.5	562.9	22.5	6,365.9

The company offsets tax assets and liabilities only if it has a legally enforceable right to set off tax assets and tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred tax assets and liabilities and recoverability of deferred tax assets. The recoverability of deferred tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred tax assets will be recovered.

Notes

to the standalone financial statements for the year ended 31 March 2020

(D) Tax assets and liabilities

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Non Current tax assets (net)	301.5	262.3
Current tax liabilities (net)	176.2	6.9

(E) Unrecognised deferred tax assets

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Unrecognised MAT Credit Entitlement	634.9	479.7

3.8 Trade receivables

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured)		
Considered good	15,550.7	9,666.4
Credit impaired	260.1	230.4
Less: Loss allowance	(260.1)	(230.4)
TOTAL	**15,550.7**	**9,666.4**

Note :

1. Above trade receivables include amount due from related parties ₹ **11,077.5 million** (31 March 2019: ₹ 5,631.8 million) - **Refer Note 3.35**
2. **Refer note 3.36** for information about credit risk and market risk of trade receivables

3.9 Cash and cash equivalents

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Cash on hand	3.4	3.3
Cheques and drafts on hand	151.4	81.4
Balance with banks:		
In current accounts	52.1	29.7
In deposit accounts with original maturity within three months	-	1,500.0
TOTAL	**206.9**	**1,614.4**

3.10 Bank balances other than cash and cash equivalents

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Unpaid dividend account	1.2	0.8
Bank deposits with maturity within 12 months	7,448.0	2,364.2
TOTAL	**7,449.2**	**2,365.0**

Note:

Bank deposits of ₹ **7013.6 million** (31 March 2019: ₹ 1,350.0 million) is under lien with banks against Overdraft facilities availed.

Bank deposits of ₹ **Nil** (31 March 2019: ₹ 55.0 million) are pledged against loan taken by Cachet Pharmaceuticals Private Limited, subsidiary of the Company in India.

Notes

to the standalone financial statements for the year ended 31 March 2020

3.11 Other current assets

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured, considered good unless otherwise stated)		
Balances with government authorities	3,285.6	2,922.8
Export incentive receivable	405.2	230.6
Advance to suppliers:		
Considered good	355.6	235.3
Considered doubtful	137.8	110.6
	493.4	**345.9**
Less: Loss allowance	(137.8)	(110.6)
	355.6	**235.3**
Prepaid Expenses	194.7	215.1
TOTAL	**4,241.1**	**3,603.8**

3.12A Equity share capital

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised:		
250,000,000 equity shares of ₹ 2 each (31 March 2019: 250,000,000 equity shares of ₹ 2 each)	500.0	500.0
	500.0	**500.0**
Issued, subscribed and paid up:		
119,565,000 equity shares of ₹ 2 each fully paid up (31 March 2019: 119,565,000 equity shares of ₹ 2 each fully paid up)	239.1	239.1
TOTAL	**239.1**	**239.1**

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period:

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	(₹ in million)	Number	(₹ in million)
At the commencement of the year	119,565,000	239.1	119,565,000	239.1
At the end of the year	**119,565,000**	**239.1**	**119,565,000**	**239.1**

(b) Rights, preferences and restrictions attached to Equity Shares:

The Company has issued one class of equity shares with voting rights having a par value of ₹ 2 per share. each shareholder is eligible for one vote per share held. The Company declares dividend 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.

On winding up of the Company, the holders of equity shares will be entitled to receive residual assets of the Company remaining after distribution of all preferential amounts in proportion to the number of equity shares held by the shareholders.

Notes
to the standalone financial statements for the year ended 31 March 2020

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of Shares	Percentage of Holding	Number of Shares	Percentage of Holding
Mr. Sarandhar Singh (shares held on behalf of Samprada & Nanhamati Singh Family Trust)	25,205,800	21.08%	25,205,800	21.08%
Mr. Basudeo Narain Singh	8,662,100	7.24%	8,662,100	7.24%
Mr. Mritunjay Kumar Singh	7,625,000	6.38%	7,604,000	6.36%
Mr. Dhananjay Kumar Singh	7,466,260	6.24%	7,466,260	6.24%
Mrs. Jayanti Sinha	7,138,220	5.97%	7,138,220	5.97%

(d) Aggregate Number of bonus shares issued for the consideration other than cash during the period of five years immediately preceeding the reporting date:

During the year ended 31 March 2015, 59,782,500 Equity Shares of ₹ 2 each fully paid up have been allotted as bonus shares by capitalization of general reserves.

3.12B Other equity

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Capital reserve:		
Investment subsidies from state governments		
At the commencement of the year	5.2	5.2
Add: Addition during the year	-	-
At the end of the year	**5.2**	**5.2**
General reserve:		
At the commencement of the year	19,380.4	19,380.4
Add: Transferred from Retained earnings	-	-
At the end of the year	**19,380.4**	**19,380.4**
Retained earnings:		
At the commencement of the year	35,178.1	29,337.7
Add: Profit for the year	12,644.2	7,998.5
	47,822.3	**37,336.2**
Less: Appropriations:		
Dividend on equity shares	3,587.0	1,793.5
Dividend distribution tax	732.1	364.6
At the end of the year	**43,503.2**	**35,178.1**
Other comprehensive income:		
At the commencement of the year	(150.7)	(108.9)
Add: Other comprehensive income for the year	(172.8)	(41.8)
At the end of the year	**(323.5)**	**(150.7)**
TOTAL	**62,565.3**	**54,413.0**

Notes

to the standalone financial statements for the year ended 31 March 2020

3.13 Borrowings

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
A. Non-current borrowings		
Secured:		
Finance lease obligation **(Refer Note 3.29 (b))**	63.2	63.2
Lease liabilities **(Refer Note 3.29 (a) (ii))**	487.2	-
TOTAL	**550.4**	**63.2**
B. Current borrowings		
Secured		
Loans repayable on demand from banks	2,322.8	260.6
	2,322.8	**260.6**
Unsecured		
Working capital loan from banks	9,707.8	4,705.8
	9,707.8	**4,705.8**
TOTAL	**12,030.6**	**4,966.4**

Notes:

Secured:

Loans repayable on demand from Banks include:"

1. Overdrafts from banks ₹ **2,322.8 million** (31 March 2019: ₹ 260.6 million) are secured against pledge of fixed deposits with the banks.
2. Overdraft Facilities carry a rate of interest ranging between 7% to 8% p.a., computed on a monthly basis on the actual amount utilized, and are repayable on demand.

Unsecured:

3. Working Capital Loan from banks comprises of Overdraft in INR of ₹ **Nil** (31 March 2019: ₹ 72.4 million) and Packing Credit in Foreign Currencies of ₹ **9,707.8 million** (31 March 2019: ₹ 4,633.4 million) and are repayable on demand.
4. Working Capital Loan from banks in Foreign Currency carries interest rate in the range of 2.50% to 3.50%. During the previous year, working capital loan from banks in Indian Rupees carried interest rate in the range of 8% to 9% p.a.

3.14 Provisions

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
A. Non-current provisions		
Provisions for employee benefits		
- Gratuity **(Refer note 3.28)**	979.1	726.4
- Compensated absences	478.9	366.3
Provision for anticipated sales returns **(Refer note.3.32)**	357.6	322.5
TOTAL	**1,815.6**	**1,415.2**
B. Current provisions		
Provision for employee benefits:		
- Gratuity (Refer note 3.28)	425.7	337.6
- Compensated absences	328.0	280.0
Provision for anticipated sales returns **(Refer note.3.32)**	744.7	693.3
TOTAL	**1,498.4**	**1,310.9**

Notes

to the standalone financial statements for the year ended 31 March 2020

3.15 Other non-current liabilities

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred income on government grant **(Refer note 3.41)**	80.9	92.3
TOTAL	**80.9**	**92.3**

3.16 Trade payables

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Dues of micro and small enterprises **(Refer note 3.27)**	952.3	346.8
Dues of creditors other than micro and small enterprises	7,171.1	7,194.1
TOTAL	**8,123.4**	**7,540.9**

Note:-

Due to related parties ₹ **957.6 million** (31 March 2019: ₹ 761.9 million) **(Refer note 3.35)**

3.17 Other financial liabilities

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Current		
Employee payables	1,048.5	1,209.2
Security deposits	155.6	149.0
Accrual for expenses	1,814.8	772.8
Lease liabilities **(Refer note 3.29 (a) (ii))**	121.0	-
Unpaid dividend*	1.2	0.6
TOTAL	**3,141.1**	**2,131.6**

Notes:-

* There are no amounts due for payment to the Investor education and protection fund ("IEPF") under Section 125 of the Companies Act, 2013 (31 March 2019: ₹ Nil).

3.18 Other current liabilities

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Due to statutory authorities*	558.6	453.2
Advances from customers	244.9	276.9
Deferred income on government grant **(Refer note 3.41)**	11.7	11.9
TOTAL	**815.2**	**742.0**

Note:-

*Due to statutory authorities includes Goods and Service Tax ("GST") payable, tax deducted at source payable, provident fund and other funds payable.

Notes

to the standalone financial statements for the year ended 31 March 2020

3.19 Revenue from operations

(₹ in million)

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Sale of products- (A)	65,348.0	56,313.6
Other operating revenues:		
Processing income	57.4	11.6
Export incentives	628.9	452.5
Scrap sales	86.5	77.0
Government subsidy income	17.4	16.5
Royalty income	38.9	24.1
Budgetary support benefit under GST	589.3	240.0
Miscellaneous income/receipts	4.4	5.6
Total other operating revenue: - (B)	**1,422.8**	**827.3**
TOTAL (A) + (B)	**66,770.8**	**57,140.9**

a) Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

(₹ in million)

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Revenue from contract with customers as per contracted price	68,425.9	58,799.2
Adjustments made to contract price on account of:		
Less: Sales return	1,232.6	1,200.2
Less: Discounts / Rebates	1,845.3	1,285.4
Revenue from contract with customers	65,348.0	56,313.6
Other operating revenue	1,422.8	827.3
Revenue from operations	66,770.8	57,140.9

b) Disaggregation of revenue from contracts with customers:

The geographical information analyses the company's revenues by the company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers.

(₹ in million)

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Revenue from Operations:		
Country of Domicile - India	50,853.7	44,981.4
United States of America	13,435.6	9,083.0
Other Countries	2,481.5	3,076.5
	66,770.8	**57,140.9**

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Notes

to the standalone financial statements for the year ended 31 March 2020

3.20 Other income

(₹ in million)

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Interest income on		
-Bank deposits	400.5	194.1
-Bonds, debentures and loans at amortised cost	118.7	136.0
Dividend income on equity securities at FVTPL	56.9	21.2
Foreign currency transactions and translation gain (net)	320.4	187.4
Rental income	21.1	20.1
Net profit on sale of equity securities at FVTPL	-	73.1
Profit on sale of property, plant and equipments (net)	38.8	-
Miscellaneous income/receipts	3.4	43.9
TOTAL	**959.8**	**675.8**

3.21 Cost of materials consumed

(₹ in million)

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Raw material consumed	14,785.6	12,159.0
Packing material consumed	3,213.1	2,813.2
TOTAL	**17,998.7**	**14,972.2**

3.22 Changes in inventories of finished goods, work-in-progress and stock-in-trade:

(₹ in million)

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Opening stock:		
Finished goods	3,994.7	3,881.2
Stock-in-trade	1,783.0	2,931.2
Work-in-progress	545.6	376.5
	6,323.3	**7,188.9**
Less: Closing stock:		
Finished goods	4,366.6	3,994.7
Stock-in-trade	1,610.5	1,783.0
Work-in-progress	683.1	545.6
	6,660.2	**6,323.3**
TOTAL	**(336.9)**	**865.6**

3.23 Employee benefits expense

(₹ in million)

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Salaries, wages and bonus **(Refer Note 3.28)**	9,833.3	8,856.3
Contribution to provident and other funds **(Refer Note 3.28)**	523.7	422.8
Employees' welfare expenses	310.6	321.8
TOTAL	**10,667.6**	**9,600.9**

Notes

to the standalone financial statements for the year ended 31 March 2020

3.24 Finance cost

(₹ in million)

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Interest expenses on		
-Bank overdraft and others	260.2	220.1
-Defined benefit liabilities **(Refer Note 3.28)**	63.6	59.3
Other borrowing cost	63.3	3.2
TOTAL	**387.1**	**282.6**

3.25 Other expenses

(₹ in million)

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Consumption of stores and spare parts	683.1	760.2
Power and fuel	1,060.8	990.9
Processing charges	309.7	247.2
Contract labour charges	686.0	617.2
Rent **(Refer Note 3.29(a))**	21.9	200.1
Rates and taxes	188.4	34.6
Insurance	160.0	186.4
Marketing and promotions	4,932.7	4,063.1
Financial assets at FVTPL -net change in fair value	148.0	43.8
Selling and distribution expenses	1,376.0	1,266.6
Legal and professional Fees	1,925.0	1,591.6
Sales commission	406.8	387.8
Travelling and conveyance	1,636.5	1,539.5
Repairs:		
- Buildings	67.3	103.4
- Plant and machineries	340.9	311.8
- Others	165.7	115.3
Loss on sale of property, plant and equipments (net)	-	18.1
Commission to directors	45.6	142.7
Donation	4.4	14.1
Communication and printing expenses	95.8	128.7
Vehicle expenses	156.9	111.2
Clinical and analytical charges	515.1	552.1
Allowances for doubtful debts	29.7	118.7
Corporate Social Responsibility (CSR) expenditure **(Refer Note 3.39)**	144.4	115.8
License, registration & technology fees	639.5	481.8
Miscellaneous expenses **(Refer Note 3.38)**	180.9	221.5
TOTAL	**15,921.1**	**14,364.2**

Notes

to the standalone financial statements for the year ended 31 March 2020

3.26 Contingent Liabilities and Commitments

(₹ in million)

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
Claims against the Company not acknowledged as debt:			
(i)	Central Excise demands disputed in appeal {advances paid in dispute ₹ **14.0 million** (31 March 2019: ₹ 22.7 million)}	192.0	202.9
(ii)	Sales Tax demands disputed in appeal {advances paid in dispute ₹ **34.6 million** (31 March 2019: ₹ 41.7 million)}	208.0	252.2
(iii)	Income Tax demands disputed in appeal {advances paid in dispute ₹ **123.0 million** (31 March 2019: ₹ 98.0 million)}	560.5	593.9
(iv)	Other matters:	1,714.9	2,113.4
	a. In relation to purchase commitments: ₹ **968.1 million*** (31 March 2019: ₹ 968.1 million)		
	b. Supply of Goods: ₹ **0.5 million** (31 March 2019: ₹ 399.0 million)**		
	c. in relation to CCI: ₹ **746.3 million** (31 March 2019: ₹ 746.3 million)		
TOTAL		**2,675.4**	**3,162.4**

Management considers that excise duty, sales tax and income tax demands received from the authorities are not tenable against the Company, and therefore no provision for these tax contingencies have been made.

* Claim from vendor in relation to compliance with contractual purchase commitment and alleged infringement of intellectual property.

** Claim from customer in relation to product quality issues.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for, where provisions are required and disclosed as contingent liabilities wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have materially adverse effect on its financial statements.

b) Commitments

(₹ in million)

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
1	Estimated amount of contracts remaining to be executed on Capital Accounts - advance paid ₹ **18.9 million** (31 March 2019: ₹ 39.8 million)	490.5	479.4
2	Calls in Respect of Partly paid up shares issued by a subsidiary Company	14.0	13.6
3	Uncalled/ Unpaid contribution towards investment in funds **(Refer Note.3.2)**	73.8	104.0
4	Other Commitments: Commitment towards research and development - **EUR 0.0625 million** (31 March 2019: USD 2.5 million)	5.2	172.9
5	Pending Export Obligation under advance licence / EPCG Scheme	38.1	27.9
6	Other Commitments - Non Cancellable Operating Lease - **Refer Note.3.29 (a) (i)**		

Notes

to the standalone financial statements for the year ended 31 March 2020

3.27 Dues to Micro and Small enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro and Small enterprises. On the basis of the information and records available with the Management, the outstanding dues to the Micro and Small enterprises as defined in the MSMED as set out in following disclosure.

(₹ in million)

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
a)	Principal amount remaining unpaid to any supplier as at the year end	952.3	346.8
	Interest due thereon	29.7	21.4
b)	The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprises Development Act, 2006 (27 of 2006) (MSMED Act, 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	29.7	21.4
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	29.7	21.4

The above information regarding Micro and Small Enterprises has been determined on the basis of information available with the Company. This has been relied upon by the auditors.

3.28 Disclosure of Employee Benefits as per Indian Accounting Standard 19 is as under:

i) Defined contribution plans:

The Company makes contributions towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of salary cost to the Government Employee Provident Fund, Government Employee Pension Fund, Employee Deposit Linked Insurance and Employee State Insurance, which are recognised in the Statement of Profit and Loss on accrual basis. Eligible employees receive the benefits from the said funds. Both the employees and the Company make monthly contribution to the said funds plan equal to a specific percentage of the covered employee's salary. The Company has no obligations other than to make the specified contributions.

The Superannuation fund is administered by the Life Insurance Corporation of India (LIC). Under the plan, the Company is required to contribute pre-determined percentage of salary cost of the eligible employee to the superannuation plan to fund the benefit.

The Company has recognised the following amounts in the Statement of Profit and Loss

(₹ in million)

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
- Contribution to Provident Fund	487.2	378.4
- Contribution to Superannuation fund	-	-
- Contribution to Employee state insurance corporation	36.7	44.4
TOTAL	**523.9**	**422.8**

ii) Defined benefit plan:

The Company earmarks liability towards unfunded Group Gratuity and Compensated absences and provides for payment to vested employees as under:

a) On Normal retirement/ early retirement/ withdrawal/resignation:

As per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

Notes

to the standalone financial statements for the year ended 31 March 2020

b) On death in service:

As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity was carried out as at 31 March 2020 by an independent actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31 March 2020:

(₹ in million)

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
I)	**Reconciliation in present value of obligations (PVO) – defined benefit obligation :**		
	Current Service Cost	118.1	126.6
	Interest Cost	63.6	59.3
	Actuarial (gain) / loss	265.6	64.3
	Benefits paid	(106.5)	(73.2)
	PVO at the beginning of the year	1,064.0	887.0
	PVO at end of the year	1,404.8	1,064.0
II)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of year	1,404.8	1,064.0
	Fair Value of planned assets at end of year	-	-
	Funded status	(1,404.8)	(1,064.0)
	Unrecognised actuarial gain / (loss)	-	-
	Net asset / (liability) recognised in the balance sheet	(1,404.8)	(1,064.0)
III)	**Net cost for the year**		
	Current Service cost	118.1	126.6
	Interest cost	63.6	59.3
	Expected return on plan assets	-	-
	Actuarial (gain) / loss	265.6	64.3
	Net cost	447.3	250.2
IV)	**Assumption used in accounting for the gratuity plan:**		
	Discount rate (%)	6.33	7.10
	Attrition rate (%)	10% - 20%	10% - 20%
	Salary escalation rate (%)	10% in Next one year and 8% thereafter	9% in Next one year and 7% thereafter

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary Escalation Rate: The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The amounts of the present value of the obligation and experience adjustment arising on plan liabilities are as below :

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
Defined Benefit Obligation at end of the year	1,404.8	1,064.0	887.0	674.3	536.0
Experience (Gain)/Loss Adjustment on plan Liabilities	173.9	56.0	46.8	36.5	(11.2)
Actuarial (Gain)/Loss due to change on assumption	91.7	8.3	64.3	19.6	10.6

Notes

to the standalone financial statements for the year ended 31 March 2020

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in million)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(54.5)	60.3	(42.1)	46.6
Future salary growth (1% movement)	57.8	(53.2)	46.1	(42.5)

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is **6.12 years** (Previous year: 6.18 years)

3.29 a) (i) The Company has entered into non - cancellable operating lease agreements for premises/cars/computers. Rent expenses debited to the Statement of Profit and Loss is as below:

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Rent expense	21.9	200.1
Total	21.9	200.1

The future minimum lease payments in respect of the non cancellable lease agreements as on the year end is as below:

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Not later than one year	-	72.5
Later than one year but not later than five years	-	107.7
Later than five years	-	-
Total	-	180.2

Note :

There are no non-cancellable operating leases for the year ended 31 March 2020 as the Company has adopted Ind AS 116 "Leases". The disclosures for Ind AS 116 are disclosed in **Note 3.29 a) (ii)**.

(ii) Leases

The Company has adopted IND AS 116 "Leases" with a date of initial application on 1 April 2019. As a result, the Company has changed its accounting policy for lease contracts.

The Company applied IND AS 116 using the modified retrospective approach and recognized lease liability equal to the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application.

The Company recognized a right of use asset at the date of initial application at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

In the context of initial application, the Company has exercised the option not to apply the new recognition requirements to short-term leases and to leases of low-value asset.

A. Transition Disclosures

i. Impact on financial statements

On transition to IND AS 116, the Company recognised amount ₹ **646.2 million** of right of use assets and ₹ **646.2 million** of lease liabilities. There was no difference recognised in retained earnings on date of initial application of the standard as the Company adopted the approach whereby the right-of-use assets are initially measured equal to the lease liability.

When measuring lease liabilities, the Company discounted lease payments using the incremental borrowing rate of the respective lease liability at 1 April 2019. The weighted-average rate applied is as mentioned in below table.

ii. Reconciliation of operating lease commitment as at 31 March 2019 with lease liability recognized as at 1 April 2019:

Particulars	As at 1 April 2019
Operating lease commitment as at 31 March 2019	849.8
Less: Recognition exemption for leases of low-value assets	
Less: Recognition exemption for leases with less than 12 months of lease term at transition	9.5
Discounted using the incremental borrowing rate at 1 April 2019	7.73% (1-3 years) 8.26% (4-6 years 8.61% (7-9 years) 8.67% (10-12 years) 8.76% (13-15 years) 8.75% (16-18 years) 8.69% (19 years and above)
Finance lease liabilities recognised as at 31 March 2019	-
Other reconciliation items (to be specified)	-
Extension options reasonably certain to be exercised:	-
Lease liability recognized as at 1 April 2019	646.2

iii. Practical expedients opted by the Company:

(a) Separation of non-lease components from lease components.

(b) Application of standard on a portfolio of leases with similar characteristics.

(c) Reassessment whether a contract contains a lease as at the date of initial application i.e. 1 April 2019.

(d) Non application of IND AS 116 for the leases for which the remaining lease term is less than 12 months as on the date of initial application.

(e) The Company has excluded initial direct costs from the measurement of the right of use asset at the date of initial application.

(f) Use of hindsight in determining the lease term if the contract contains options to extend or terminate the lease.

B. Leases as lessee

i. Right of use assets

Right of use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment

(₹ in million)

Particulars	As at 31 March 2020
	Land and Buildings
Adoption of IND AS 116 "Leases" (as on 1 April 2019)	646.2
Amortisation charge for the year	(139.2)
Additions to right of use assets	92.2
Derecognition of right of use assets	-
Balance at 31 March 2020	**599.2**

Notes
to the standalone financial statements for the year ended 31 March 2020

ii. Lease liability

(₹ in million)

Particulars	As at 31 March 2020
Maturity analysis of lease liability - discounted contractual cash flows	
Less than one year	121.0
One to three years	234.3
More than three years	252.9
Total discounted cash flows	**608.2**
Current	**121.0**
Non-current	**487.2**

iii. Amount recognised in profit or loss

(₹ in million)

Particulars	For the Year ended 31 March 2020
General and administrative expenses	
Short-term lease rent expense	21.9
Amortisation and impairment losses	
Amortisation of right of use lease asset	139.2
Finance cost	
Interest expense on lease liability	58.7
	219.8

iv. Amount recognised in statement of cash flows

(₹ in million)

Particulars	For the Year ended 31 March 2020
Cash outflow for short-term leases	21.9
Principal component of cash outflow for long-term leases	108.5
Interest component of cash outflow for long-term leases	58.7
Total cash outflow for leases	**189.1**

v. Lease commitments for short term leases

(₹ in million)

Particulars	As at 31 March 2020
Lease commitments for short term leases	**15.5**

(b) During the year, the Company has entered into long-term leasing arrangements for land with government authorities which are in the nature of finance lease. The future obligation in respect of the above are as under:

(₹ in million)

Particulars	Present value of minimum lease payment	Future interest Cost	Minimum lease payment
Not later than one year	0.0	2.9	2.9
Later than one year but not later than five years	0.2	11.3	11.5
Later than five years	63.0	200.6	263.6
Total	**63.2**	**214.8**	**278.0**

3.30 The aggregate amount of revenue expenditure incurred during the period on Research and Development and shown in the respective heads of account is ₹ **3,937.6 million** (Previous year: ₹ 3,870.5 million).

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Notes

to the standalone financial statements for the year ended 31 March 2020

3.31 Earnings per share (EPS)

(₹ in million)

Particulars			For the Year ended 31 March 2020	For the Year ended 31 March 2019
Profit / (Loss) after tax attributable to equity shareholders	₹ in million	A	12,644.2	7,998.4
Weighted average number of equity shares outstanding during the year	Nos.	B	119,565,000	119,565,000
Basic and diluted earnings per equity share (₹) - Face value of ₹ 2 per share	In ₹	(A / B)	105.75	66.90

3.32 Disclosure as per Indian Accounting Standard (Ind AS 37) for provisions is as under:

Provision for anticipated sales return:

The Company as a trade practice, accepts sales return from market which are primarily in the nature of expired or near expiry products. Provision is made for such returns on the basis of historical experience, market conditions and specific contractual terms.

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Carrying amount at the beginning of the year	1,015.8	910.7
Add: Provision made during the year	778.9	749.6
Less: Amount utilized during the year	692.4	644.5
Carrying amount at the end of the year	**1,102.3**	**1,015.8**

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current provision	357.6	322.5
Current provision	744.7	693.3
Total	**1,102.3**	**1,015.8**

3.33 Dividend paid and proposed:

Dividends on equity shares were declared and paid by the Company during the year

(₹ in million)

Particulars	Dividend Per Equity Share (₹)	For the year ended 31 March 2020	Dividend Per Equity Share (₹)	For the year ended 31 March 2019
Dividend on equity shares	30.00	3,587.0	15.00	1,793.5
Dividend distribution tax		732.1		364.6
Total		**4,319.1**		**2,158.1**

After the reporting dates the following dividend was proposed by the Board of Directors in its meeting held on 5 June 2020 subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities.

(₹ in million)

Particulars	Dividend Per Equity Share (₹)	For the year ended 31 March 2020	Dividend Per Equity Share (₹)	For the year ended 31 March 2019
Final dividend on equity shares	3.00	358.7	8.00	956.5
Dividend distribution tax		-		194.7
Total		**358.7**		**1,151.2**

3.34 Segment Reporting

The Company has presented data relating to its segments in its consolidated financial statements. Accordingly, in terms of paragraph 4 of the Indian Accounting Standard 108 (IND AS-108) "Segment Reporting", no disclosures related to segments are presented in this standalone financial statement.

Notes

to the standalone financial statements for the year ended 31 March 2020

3.35 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures.

The Company's prinicipal related parties consist of its subsidiaries **(Refer list below)**, Key Managerial Personnel ("KMP"), relatives of KMP and entities in which KMP and their relatives have significant influence ("Affiliates"). The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business.

List of Subsidiaries and Step down Subsidiaries

A)	Subsidiaries and Step down Subsidiaries	Principal Place of Business	% Shareholding and Voting Power	
			As at 31 March 2020	As at 31 March 2019
	Alkem Laboratories (NIG) Limited (Liquidated with effect from 6 May 2018)	Nigeria	-	-
	Alkem Laboratories (Pty) Limited	South Africa	100%	100%
	Ascend GmbH (formerly known as Alkem Pharma GmbH)	Germany	100%	100%
	Alkem Laboratories Corporation	Philippines	100%	100%
	S & B Holdings B.V.	Netherlands	100%	100%
	Pharmacor Pty Limited	Australia	100%	100%
	ThePharmaNetwork, LLC (Wholly owned subsidiary of S&B Holdings B.V)	United States of America	100%	100%
	Ascend Laboratories SDN BHD.	Malaysia	100%	100%
	Ascend Laboratories SpA	Chile	100%	100%
	Enzene Biosciences Limited	India	99.91%	99.98%
	Alkem Laboratories Korea Inc.	South Korea	100%	100%
	Pharmacor Limited	Kenya	100%	100%
	S & B Pharma Inc.	United States of America	100%	100%
	The PharmaNetwork, LLP	Kazakhstan	100%	100%
	Ascend Laboratories, LLC (Wholly owned subsidiary of ThePharmanetwork, LLC)	United States of America	100%	100%
	Ascend Laboratories SAS (with effect from 4 June 2019)	Colombia	100%	-
	Ascend Laboratories (UK) Limited	United Kingdom	100%	100%
	Cachet Pharmaceuticals Private Limited	India	58.8%	58.8%
	Indchemie Health Specialities Private Limited	India	51%	51%
	Ascend Laboratories Limited (Control over composition of a Board of Directors of Ascend Laboratories Ltd., Canada)	Canada	100%	0%
	Pharma Network SpA (Wholly owned subsidiary of Ascend Laboratories SpA)	Chile	100%	100%
	Alkem Foundation	India	100%	100%

3.35 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures for the year ended 31 March 2020 (Continued)

B) Key Managerial Personnel ("KMP")

Mr. Samprada Singh (upto 27 July 2019)	Chairman Emeritus
Mr. Basudeo Narain Singh	Executive Chairman
Mr. Balmiki Prasad Singh	Executive Director
Mr. Dhananjay Kumar Singh	Joint Managing Director
Mr. Mritunjay Kumar Singh	Executive Director
Mr. Sandeep Singh	Managing Director
Mr. Sarvesh Singh (w.e.f. 11 November 2019)	Executive Director
Mr. A.K.Purwar	Independent Director
Mr. A.M.Prasad (upto 15 March 2020)	Independent Director
Mr. R.L.Shenoy	Independent Director
Ms. Sangeeta Singh	Independent Director
Ms. Sudha Ravi	Independent Director
Mr. Dheeraj Sharma	Independent Director
Mr. Narendra Kumar Aneja (w.e.f. 16 March 2020)	Independent Director
Mr. Rajesh Dubey	President - Finance & Chief Financial Officer
Mr. Manish Narang	President - Legal & Company Secretary

C) Relatives of Key Managerial Personnel ("KMP") with whom transactions have taken place during the year

Mr. Satish Kumar Singh	Son of Samprada Singh, Father of Sandeep Singh and Sarvesh Singh
Mrs. Archana Singh	Daughter of Basudeo Narain Singh
Mr. Sarandhar Singh	Son of Balmiki Prasad Singh
Mr. Srinivas Singh	Son of Balmiki Prasad Singh
Mr. Sarvesh Singh (as a relative upto 10 November 2019)	Brother of Sandeep Singh
Mrs. Manju Singh	Wife of Balmiki Prasad Singh
Mrs. Premlata Singh	Mother of Sandeep Singh and Sarvesh Singh
Mrs. Madhurima Singh	Wife of Dhananjay Kumar Singh
Mrs. Seema Singh	Wife of Mritunjay Kumar Singh
Ms. Divya Singh	Daughter of Dhananjay Kumar Singh
Mr. Aniruddha Singh	Son of Dhananjay Kumar Singh
Ms. Meghna Singh	Daughter of Mritunjay Kumar Singh
Mst. Shrey Shree Anant Singh	Son of Mritunjay Kumar Singh
Ms. Inderjit Arora	Wife of Sandeep Singh
Mrs. Annapurna Singh (w.e.f 11 November 2019)	Wife of Sarvesh Singh
Mr. Nawal Kishore Singh	Son of Samprada Singh, Brother of Balmiki Prasad Singh

D) Entities in which Key Managerial Personnel's and their relatives have significant influence and with whom transactions have taken place during the year ("Affiliates"):

M/s Galpha Laboratories Ltd., M/s. Samprada Singh (HUF), M/s. Samprada and Nanhamati Singh Family Trust, Legal heirs of Late Mr. Samprada Singh (w.e.f. 27 July 2019)

Notes

to the standalone financial statements for the year ended 31 March 2020

Details of Transactions with Related Parties

(₹ in million)

Sr. No.	Particulars	For the year ended 31 March 2020				
		Subsidiaries/ Step down subsidiaries	Key Managerial Personnel	Relatives of Key Managerial Personnel	Affiliates	Total
		A	B	C	D	
1	Remuneration*	-	706.5	146.7	-	853.2
		-	(632.9)	(135.0)	-	(767.9)
2	Purchase of stock in trade	1,802.5	-	-	531.3	2,333.8
		(1,766.5)	-	-	(443.3)	(2,209.8)
3	Sale of finished goods	15,133.7	-	-	-	15,133.7
		(10,714.4)	-	-	-	(10,714.4)
4	Sale of raw and packing materials (₹ 47,470)	30.5	-	-	0.0	30.5
		(33.9)	-	-	(0.6)	(34.5)
5	Purchase of raw and packing materials	46.6	-	-	-	46.6
		(14.2)	-	-	-	(14.2)
6	Services received	1,358.6	-	-	-	1,358.6
		(959.2)	-	-	(0.7)	(959.9)
7	Services rendered	0.7	-	-	6.4	7.1
		(0.6)	-	-	(13.3)	(13.9)
8	Rental income	17.2	-	-	3.8	21.0
		(14.8)	-	-	(3.3)	(18.1)
9	Rent expenses	0.1	1.0	3.1	-	4.2
		(0.1)	(0.6)	(3.5)	-	(4.2)
10	Investments made	3,280.1	-	-	-	3,280.1
		(2,770.6)	-	-	-	(2,770.6)
11	Dividend paid	-	719.9	526.9	808.0	2,054.8
		-	(381.4)	(372.3)	(380.3)	(1,134.0)
12	Loans and advances given to	273.9	2.5	-	-	276.4
		-	-	-	-	-
13	Loans and advances repaid by / converted to equity	96.9	3.0	-	-	99.9
		(998.3)	(10.4)	-	-	(1,008.7)
14	Donation given to	25.0	-	-	-	25.0
		(39.8)	-	-	-	(39.8)
15	Purchase of PPE/Intangible Assets	601.9	-	-	-	601.9
		-	-	-	-	-
16	Royalty expenses	0.9	-	-	-	0.9
		(0.3)	-	-	-	(0.3)
17	Guarantee commission	18.2	-	-	-	18.2
		(16.7)	-	-	-	(16.7)
18	Royalty income	33.7	-	-	-	33.7
		(24.1)	-	-	-	(24.1)
19	Reimbursement of expenses to	230.7	-	-	-	230.7
		(138.6)	-	-	-	(138.6)
20	Reimbursement of expenses from	297.9	-	-	-	297.9
		(180.8)	-	-	-	(180.8)
21	Interest income on loans given (₹ 35,853)	28.0	0.0	-	-	28.0
		(33.6)	(0.4)	-	-	(34.0)
22	Sale of PPE	51.0	-	-	2.8	53.8
		-	-	-	-	-
23	Dividend received	56.1	-	-	-	56.1
		(20.4)	-	-	-	(20.4)
24	Corporate guarantee given for subsidiary	756.7	-	-	-	756.7
		(472.9)	-	-	-	(472.9)
25	Scrap sale	1.3	-	-	-	1.3
		(1.0)	-	-	-	(1.0)

Figures in the brackets are the comparative figures of the previous year.

*Key managerial personnel remuneration

Notes

to the standalone financial statements for the year ended 31 March 2020

3.35 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures for the year ended 31 March 2020 (Continued)

Key managerial personnel remuneration comprise the following :

(₹ in million)

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Short term employee benefits	464.7	406.1
Post-employment benefits	165.1	53.5
Other long-term benefits	18.6	20.3
Remuneration paid to Chairman Emeritus	45.6	142.7
Commission/sitting fees to Independent Directors	12.5	10.3
Total	**706.5**	**632.9**

Based on the recommendation of the Nomination and Remuneration Committee, all decisions relating to the remuneration of the directors are taken by the Board of Directors of the Company, is in accordance with shareholders' approval.

All related party transactions are made in the normal course of business and on terms equivalent to those that prevail in an arm's length transactions.

Significant Related party transactions

(₹ in million)

Sr. No.	Particulars	Related Party relation	Year ended 31 March 2020	Year ended 31 March 2019
1	Purchase of stock in trade			
	Cachet Pharmaceuticals Private Limited	Subsidiary	1,070.2	1,057.4
	Indchemie Health Specialities Private Limited	Subsidiary	732.3	709.1
	Galpha Laboratories Limited	Affliates	531.3	443.3
2	Sale of Finished Goods			
	Ascend Laboratories, LLC	Step Down Subsidiary	13,178.8	8,726.9
3	Investments made			
	S&B Pharma Inc., USA	Subsidiary	1,862.9	1,425.4
	Enzene Biosciences Limited, India	Subsidiary	1,250.0	1,000.0

Balance due from / to the related Parties

(₹ in million)

Sr. No.	Particulars	As at 31 March 2020				
		Subsidiaries/ Step down subsidiaries	Key Managerial Personnel	Relatives of Key Managerial Personnel	Affiliates	Total
1	Outstanding receivables	11,077.5	-	-	-	11,077.5
2	Outstanding payables	924.3	-	-	33.3	957.6
3	Investments	17,101.7	-	-	-	17,101.7
4	Loans receivable	259.7	-	-	-	259.7

Notes

to the standalone financial statements for the year ended 31 March 2020

3.35 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures for the year ended 31 March 2020 (Continued)

(₹ in million)

Sr. No.	Particulars	As at 31 March 2019				
		Subsidiaries/ Step down subsidiaries	Key Managerial Personnel	Relatives of Key Managerial Personnel	Affiliates	Total
1	Outstanding receivables	5,631.8	-	-	-	5,631.8
2	Outstanding payables	732.8	-	-	29.1	761.9
3	Investments	13,821.7	-	-	-	13,821.7
4	Loans receivable (net of provision for doubtful advances of ₹ 65.5 million)	35.4	0.5	-	-	35.9

Note:

1 Disclosures pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013 (hereinafter referred to as "Act")

a) Loans and Advances in the nature of loans to subsidiaries (net of provision for doubtful advances) *

(₹ in million)

Sr. No.	Related Party	Related Party relation	As at 31 March 2020	Maximum balance outstanding during the year	As at 31 March 2019
i	Alkem Laboratories Corporation	Wholly Owned Subsidiary	81.6	98.2	27.9
ii	Ascend GmbH (formerly known as Alkem Pharma GmbH)	Wholly Owned Subsidiary	-	7.4	7.0
iii	Pharmacor Limited	Wholly Owned Subsidiary	16.3	16.3	-
iv	S & B Pharma Inc.	Wholly Owned Subsidiary	161.2	161.2	-
v	Alkem Laboratories (Pty) Limited	Wholly Owned Subsidiary	0.6	0.6	0.5

*The above loans given during the year are given towards meeting working capital requirements and are repayable in accordance with the terms and conditions of loan agreements carry an interest rate in the range of 7% to 9% p.a. for foreign subsidiaries.

b) Details of investments made under section 186 of the Act are given in Note 3.2A "Investment in Subsidiaries".

c) Securities pledged against loan taken by subsidiaries **

(₹ in million)

Sr. No.	Particulars	Related Party relation	As at 31 March 2020	As at 31 March 2019
i	S & B Pharma Inc.	Wholly Owned Subsidiary	2,150.0	2,150.0
ii	Cachet Pharmaceuticals Private Limited	Subsidiary	-	55.0

**The securities pledged against loans taken by subsidiaries are for the purpose of meeting working capital requirements.

d) The Company has issued corporate guarantee to its wholly owned subsidiary, Pharmacor Pty Limited, Australia amounting to ₹ **Nil (AUD Nil)** (31 March 2019: ₹ 269.6 million (AUD 5.5 million)), Ascend Laboratories SpA, Chile amounting to ₹ **756.7 million (USD 10 million)** (31 March 2019: ₹ 414.9 million (USD 6 million)), Pharma Network SpA (Wholly owned by Ascend Laboratories SpA), Chile amounting to ₹ **189.2 million (USD 2.5 million)** (31 March 2019: ₹ 172.9 million (USD 2.5 million)) and Enzene Biosciences Limited amounting to ₹ **Nil** (31 March 2019: ₹ 300 million) in respect of loan taken to meet working capital requirements.

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Notes

to the standalone financial statements for the year ended 31 March 2020

3.36 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The Company uses the following hierarchic structure of valuation methods to determine and disclose information about the fair value of financial instruments:

Level 1: Observable prices in active markets for identical assets and liabilities;

Level 2: Observable inputs other than quoted prices in active markets for identical assets and liabilities;

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities

(₹ in million)

Particulars	As at 31 March 2020							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	206.9	206.9	-	-	-	-
Other Bank Balances	-	-	7,449.2	7,449.2	-	-	-	-
Non-current investments (excluding investment in subsidiaries)	304.5	-	538.7	843.2	-	304.5	-	304.5
Current investments	1,597.1	-	18.1	1,615.2	137.1	-	1,460.0	1,597.1
Non-current loans	-	-	334.7	334.7	-	-	-	-
Current loans	-	-	233.9	233.9	-	-	-	-
Trade receivables	-	-	15,550.7	15,550.7	-	-	-	-
Other Non-current financial assets	-	-	49.4	49.4	-	-	-	-
Other Current financial assets	-	-	1,815.3	1,815.3	-	-	-	-
	1,901.6	**-**	**26,196.9**	**28,098.5**	**137.1**	**304.5**	**1,460.0**	**1,901.6**
Financial liabilities								
Non-current borrowings (Including current maturity of long term debts)	-	-	550.4	550.4	-	-	-	-
Current borrowings	-	-	12,030.6	12,030.6	-	-	-	-
Trade payables	-	-	8,123.4	8,123.4	-	-	-	-
Other Current financial liabilities	-	-	3,141.1	3,141.1	-	-	-	-
	-	-	23,845.5	23,845.5	-	-	-	-

(₹ in million)

Particulars	As at 31 March 2019							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	1,614.4	1,614.4	-	-	-	-
Other Bank Balances	-	-	2,365.0	2,365.0	-	-	-	-
Non-current investments (excluding investment in subsidiaries)	372.7	-	569.9	942.5	-	372.7	-	372.7
Current investments	2,183.6	-	8.1	2,191.8	180.3	-	2,003.4	2,183.6
Non-current loans	-	-	127.3	127.3	-	-	-	-
Current loans	-	-	262.5	262.5	-	-	-	-
Trade receivables	-	-	9,666.4	9,666.4	-	-	-	-
Other Non-current financial assets	-	-	161.2	161.2	-	-	-	-
Other Current financial assets	-	-	1,010.4	1,010.4	-	-	-	-
	2,556.3	**-**	**15,785.2**	**18,341.5**	**180.3**	**372.7**	**2,003.4**	**2,556.3**
Financial liabilities								
Non-current borrowings (Including current maturity of Long term debts)	-	-	63.2	63.2	-	-	-	-
Current borrowings	-	-	4,966.4	4,966.4	-	-	-	-
Trade payables	-	-	7,540.9	7,540.9	-	-	-	-
Other Current financial liabilities	-	-	2,131.6	2,131.6	-	-	-	-
	-	**-**	**14,702.1**	**14,702.1**	**-**	**-**	**-**	**-**

Notes

to the standalone financial statements for the year ended 31 March 2020

3.36 Financial instruments – Fair values and risk management (Continued)

B. Measurement of fair values

The Management assessed that cash and bank balances, trade receivables, trade payables, cash credit and other financial assets and liabilities approximate their carrying amounts due to short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair value :

a) **Level 1:** The fair value of the quoted investments/units of mutual fund scheme are based on market price/net asset value at the reporting date.

b) **Level 2:** The fair value of financial instruments that are not traded in an active market (i.e. venture capital funds) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates.

c) **Level 3:** The fair value of the remaining financial instrument is determined using discounted cash flow analysis. The discount rates used is based on management estimates.

The significant unobservable inputs used to determine the fair value of investment in fund together with the quantitative sensitivity analysis as at 31 March 2020; 31 March 2019 are as shown below:

Type	Level	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Units of Avenue Venture Real Estate Fund	Level 3	Income approach (Discounted cash flow method): The valuation model is based on expected EBITDA of the investee.	Revenue, Cost of construction, absorption timelines	The estimated fair value would increase/(decrease) if: • the sale price were higher/(lower); • the cost of construction were lower/(higher); or • the absorption timelines will decrease/(increase).

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

Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values of Investment in Avenue Venture Real Estate Fund.

Particulars	(₹ in million)
Opening Balance (1 April 2018)	**2,245.9**
Net change in fair value (unrealised)	(22.5)
Repayment	(220.0)
Closing Balance (31 March 2019)	**2,003.4**
Opening Balance (1 April 2019)	2,003.4
Net change in fair value (unrealised)	(12.6)
Repayment	(530.8)
Closing Balance (31 March 2020)	**1,460.0**

Transfer out of Level 3

There has been no transfer out of Level 3 during the year.

3.36 Financial instruments – Fair values and risk management (Continued)

Sensitivity analysis

For the fair values of Avenue Venture Real Estate Fund investment possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

(₹ in million)

Significant unobservable inputs	31 March 2020		31 March 2019	
	Profit or loss		Profit or loss	
	Increase	Decrease	Increase	Decrease
Sale Price - 5%	66.6	(66.6)	123.5	(123.5)
Cost of Construction - 5%	(12.5)	12.5	(38.0)	38.0
Absorption Timelines - 1 Year	(153.5)	179.3	(125.5)	163.6

Note: As at 31 March 2020, the above sensitivity analysis for the significant unobservable input of sale price has been performed only for 4 projects (Carrying value: ₹ **1,295.2 million**) out of total 5 projects (Carrying value: ₹ **1,460.0 million**) and for other two significant unobservable inputs, the sensitivity analysis has been performed only for 3 projects (Carrying value: ₹ **1,015.6 million**). In one of the projects, the existing land will be sold without construction and hence only sale price sensitivity analysis has been performed and for the other project the exit value has already been agreed and hence no sensitivity analysis has been performed.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to the limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activites (primarily trade receivables) and from its financing/investing activities, including investments in debt securities, deposits with banks, equity securities and venture capital and mutual fund investments. The Company has no significant concentration of credit risk with any counterparty.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables

Trade receivables are consisting of a large number of customers. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly.

Notes
to the standalone financial statements for the year ended 31 March 2020

3.36 Financial instruments – Fair values and risk management (Continued)

At 31 March 2020, the maximum exposure to credit risk for trade receivables by geographic region was as follows:

(₹ in million)

Particulars	31 March 2020	31 March 2019
India	3,880.7	3,477.4
US	9,260.5	4,088.7
Other regions	2,409.5	2,100.3
	15,550.7	**9,666.4**

The Company's exposure to credit risk for trade receivables by type of counter party is as follows:

(₹ in million)

Particulars	31 March 2020	31 March 2019
Stockists/distributors	4,473.2	4,034.6
Subsidiaries	11,077.5	5,631.8
	15,550.7	**9,666.4**

At 31 March 2020, the carrying amout of the Company's most significant customer (Ascend Laboratories LLC, its wholly owned step-down subsidiary) is ₹ **8,997.7 million** (31 March 2019: ₹ 3,931.8 million)

Impairment

As per simplified approach the Company makes provision of expected credit losses on trade receivable using a provision matrix to mitigate the risk of default payment and make appropriate provision at each reporting date wherever required.

The ageing of trade receivables that were not impaired was as follows:

(₹ in million)

Particulars	31 March 2020	31 March 2019
Not past due	13,595.5	9,232.5
Past due 1–180 days	1,955.2	433.9
Past due more than 180 days	-	-
	15,550.7	**9,666.4**

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

(₹ in million)

Particulars	31 March 2020	31 March 2019
Balance as at the beginning of the year	230.4	163.9
Impairment loss recognised	29.7	118.7
Amounts written off	-	(52.2)
Balance as at the end of the year	**260.1**	**230.4**

Loans to subsidiaries

The Company has an exposure of ₹ **259.7 million** as at 31 March 2020 (31 March 2019: ₹ 35.4 million) for loans given to subsidiaries. Such loans are classified as financial asset measured at amortised cost.

The Company did not have any amounts that were past due but not impaired at 31 March 2020 or 31 March 2019. The Company has no collateral in respect of these loans.

Investments, Cash and Cash Equivalents and Bank Deposits

Credit risk on cash and cash equivalents, deposits with banks is generally low as the said deposits have been made with the banks who have been assigned high credit rating by international and domestic credit rating agencies.

Investments of surplus funds are made only with approved financial institutions. Investments primarily include investments in subsidiaries, mutual funds, venture capital funds, quoted bonds and non-convertible debentures. These mutual funds and counterparties have low credit risk.

Total non-current and current investments as at 31 March 2020 is ₹ **19,560.4 million** (31 March 2019: ₹ 16,956.0 million)

Notes
to the standalone financial statements for the year ended 31 March 2020

3.36 Financial instruments – Fair values and risk management (Continued)

Debt securities

The Company has an exposure of ₹ **556.8 million** as at 31 March 2020 (31 March 2019: ₹ 577.9 million) for debt securities classified as financial asset measured at amortised cost. All the debt securities have been issued by companies registered in India in Indian Rupees.

There has been no allowance for impairment in respect of such debt securities - financial asset measured at amortised cost till 31 March 2020.

Credit Rating of debt securities is given below:

(₹ in million)

Credit Rating	31 March 2020	31 March 2019
A +	-	30.0
AA	120.0	200.2
AA -	263.7	153.9
AA +	-	20.7
AAA	165.0	165.0
Not Rated	8.1	8.1
Total	**556.8**	**577.9**

The Company did not have any debt securities that were past due but not impaired at 31 March 2020 or 31 March 2019. The Company has no collateral in respect of these investments.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The majority of the Company's trade receivables are due for maturity within 21 days from the date of billing to the customer. Further, the general credit terms for trade payables are approximately 45 days. The difference between the above mentioned credit period provides sufficient headroom to meet the short-term working capital needs for day-to-day operations of the Company. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, are retained as Cash and Investment in short term deposits with banks. The said investments are made in instruments with appropriate maturities and sufficient liquidity.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in million)

31 March 2020	Contractual cash flows						
	Carrying amount	Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Finance Lease obligation	63.2	278.0	2.8	-	2.9	8.7	263.6
Lease liabilities	487.2	626.2	-	-	162.0	299.9	164.3
Working capital loans from banks	12,030.6	12,030.6	12,030.6	-	-	-	-
Trade payables	8,123.4	8,123.4	8,123.4	-	-	-	-
Other Current financial liabilities	3,141.1	3,141.1	3,020.2	121.0	-	-	-

Notes

to the standalone financial statements for the year ended 31 March 2020

3.36 Financial instruments – Fair values and risk management (Continued)

(₹ in million)

31 March 2019	Carrying amount	Contractual cash flows					
		Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Finance Lease obligation	63.2	280.9	2.8	-	2.9	8.7	266.5
Working capital loans from banks	4,966.4	4,966.4	4,966.4	-	-	-	-
Trade payables	7,540.9	7,540.9	7,540.9	-	-	-	-
Other Current financial liabilities	2,131.6	2,131.6	2,131.6	-	-	-	-

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Company is exposed to currency risk on account of its borrowings, other payables, receivables and loans and advances in foreign currency. The functional currency of the Company is Indian Rupee. The Company has exposure to EUR, GBP, USD, AUD, CAD, KES and CHF. The Company has formulated hedging policy for monitoring its foreign currency exposure.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2020, 31 March 2019 in there respective currencies are as below (absolute values):

Particulars	31 March 2020						
	EUR	GBP	USD	AUD	CAD	KES	CHF
Financial assets							
Non-current loans	-	-	3,432,867	-	-	-	-
Trade and other receivables	609,540	3,519,463	146,513,538	6,771,438	-	-	-
Cash and cash equivalents	-	-	161,059	-	-	895,602	-
	609,540	**3,519,463**	**150,107,464**	**6,771,438**	**-**	**895,602**	**-**
Financial liabilities							
Short term borrowings	-	-	128,300,000	-	-	-	-
Trade and other payables	443,059	308,316	13,644,932	2,020,819	-	-	-
Other Current financial liabilities	-	-	-	-	-	-	-
	443,059	**308,316**	**141,944,932**	**2,020,819**	**-**	**-**	**-**
Net foreign currency exposure as at 31 March 2020	**166,481**	**3,211,147**	**8,162,532**	**4,750,619**	**-**	**895,602**	**-**

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Notes

to the standalone financial statements for the year ended 31 March 2020

3.36 Financial instruments – Fair values and risk management (Continued)

Particulars	31 March 2019						
	EUR	GBP	USD	AUD	CAD	KES	CHF
Financial assets							
Non-current loans	90,234	-	410,697	-	-	-	-
Trade and other receivables	469,439	3,670,692	81,885,914	6,585,731	-	-	-
Cash and cash equivalents	-	-	145,558	-		789,747	
	559,673	**3,670,692**	**82,442,169**	**6,585,731**	**-**	**789,747**	**-**
Financial liabilities							
Short term borrowings	-	-	67,000,000	-	-	-	-
Trade and other payables	537,855	136,044	13,195,887	828,555	12,279	-	4,265
Other Current financial liabilities	-	-	-	-	-	-	-
	537,855	**136,044**	**80,195,887**	**828,555**	**12,279**	**-**	**4,265**
Net foreign currency exposure as at 31 March 2019	**21,818**	**3,534,648**	**2,246,282**	**5,757,176**	**(12,279)**	**789,747**	**(4,265)**

For the purpose of financial statement reporting, the currency exposure are measured at the following year-end exchange rates.

INR	Year-end spot rate	
	31 March 2020	31 March 2019
EUR	82.77	77.67
GBP	93.50	90.53
USD	75.67	69.16
AUD	46.08	49.02
CAD	53.08	51.54
KES	0.72	0.69
CHF	78.29	69.43

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against various foreign currencies at March 31 would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect ₹ in million	Profit or (loss) before tax	
	Strengthening	Weakening
31 March 2020		
10% movement		
EUR	1.4	(1.4)
GBP	30.0	(30.0)
USD	61.8	(61.8)
AUD	21.9	(21.9)
KES	0.1	(0.1)
	115.2	**(115.2)**

Notes

to the standalone financial statements for the year ended 31 March 2020

3.36 Financial instruments – Fair values and risk management (Continued)

Effect ₹ in million	Profit or (loss) before tax	
	Strengthening	Weakening
31 March 2019		
10% movement		
EUR	0.2	(0.2)
GBP	32.0	(32.0)
USD	15.5	(15.5)
AUD	28.2	(28.2)
CAD	(0.1)	0.1
KES	0.1	(0.1)
CHF	(0.0)	0.0
	75.9	**(75.9)**

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments, borrowings and loans because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments, borrowings and loans will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings and fixed income securities. Fixed income securities exposes the Company to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

(₹ in million)

Particulars	31 March 2020	31 March 2019
Fixed-rate instruments		
Financial assets	8,773.1	4,994.1
Financial liabilities	2,994.2	396.2
Total	**5,778.9**	**4,597.9**
Variable-rate instruments		
Financial liabilities	9,707.8	4,633.4
Total	**9,707.8**	**4,633.4**

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A change of 100 basis points in interest rates would not have any material impact on the equity.

Cash flow sensitivity analysis for variable-rate instruments

A change of 100 basis points in interest rates would not have any material impact on the equity.

Notes
to the standalone financial statements for the year ended 31 March 2020

3.37 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio was as follows.

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Total Borrowings	12,702.0	5,029.6
Less : Cash and cash equivalents	206.9	1,614.4
Net debt	12,495.1	3,415.2
Total equity	**62,804.4**	**54,652.1**
Net debt to equity ratio	**0.20**	**0.06**

3.38 Payment to auditors (excluding GST)

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
As Auditor		
Audit fees	12.8	12.8
In other capacity		
Taxation matters	1.7	0.7
In any other services such as certification, etc.	8.5	9.7
Reimbursement of out of pocket expenses	0.9	0.9
Total	**23.9**	**24.1**

3.39 The gross amount required to be spent on Corporate Social Responsibility ("CSR") by the Company during the year is ₹ **185.5 million** (Previous Year : ₹ 172.3 million) The Company has spent ₹ **144.4 million** (Previous Year : ₹ 115.8 million) towards CSR as per the approved CSR policy of the Company on healthcare, women empowerment, education, sanitation, conservation of environment, rural development.

Amount spent during the year on:

(₹ in million)

	Particulars	In Cash	Yet to be paid in cash	Total
i)	Construction/acquisition of any asset	-	-	-
		(-)	(-)	(-)
ii)	On purposes other than (i) above	**124.5**	**19.9**	**144.4**
		(115.8)	(-)	(115.8)

Figures in the brackets are the corresponding figures of the previous year.

Above includes a contribution of ₹ **25.0 million** (Previous Year : ₹ 39.8 million) to subsidiary Alkem Foundation which is a Section 8 registered company under Companies Act, 2013, with the main objectives of working in the areas of social, economic and environmental issues such as healthcare, women empowerment, education, sanitation, conservation of environment, rural development and enable the less privileged segments of the society to improve their livelihood by enhancing their means and capabilities to meet the emerging opportunities.

Notes

to the standalone financial statements for the year ended 31 March 2020

3.40 Recent accounting pronouncements

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

3.41 Government Grant

The Company is eligible for government grants which are conditional upon construction of new factories in the Sikkim region. One of the grants, received in FY 2014-15 amounted to ₹ **72.4 million** with respect to the Kumrek facility. The factory has been constructed and in operation since August 2007. The second grant is with respect to Samardung facility in Sikkim amounting to ₹ **122.1 million** for which the Company has received the claim amount in FY 2018-19. The factory has been constructed and in operation since October, 2012. These grants, recognized as deferred income, is being amortized over the useful life of the plant and machinery in proportion in which the related depreciation expense is recognised. The unamortised grant as on 31 March 2020 amounts to ₹ **92.6 million** (Previous year: ₹ 104.2 million), the breakup of which is as below:

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current	80.9	92.3
Current	11.7	11.9
Total	**92.6**	**104.2**

3.42 Non-current assets held for sale:

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Plant and equipment	153.1	172.2
Office Equipments	1.6	3.4
Freehold Land	-	3.5
Furniture and Fixtures	2.8	0.6
Total	157.5	179.7

During the year, the Company has decided to sell various Property, Plant and Equipment in the category of Plant & equipment, Office Equipments and Furniture & Fixtures being no longer required for business purposes. Accordingly, the said Property, Plant and Equipment have been stated at lower of its carrying value and its fair value less costs to sell amounting to ₹ **157.5 million** (Previous year : ₹ 179.7 million) and are presented as "Non-current assets held for sale" as at 31 March 2020.

3.43 Disclosure under Ind AS 103 - Business Combinations

On 15 October 2019, the Company has acquired an industrial undertaking having facility of manufacturing liquid and food products, on a going concern basis from Cachet Pharmaceuticals Pvt. Ltd. (Cachet), a subsidiary of the Company for a total consideration of ₹ **518.5 million**.

At the time of acquisition, the written down value of the Property, Plant and Equipment in the books of Cachet was ₹ **518.5 million**. This value is also the purchase consideration paid by the Company to Cachet. With reference to Ind AS 103 Appendix C, the Company has allocated the consideration value to the various Property, Plant and Equipment purchased at carrying value. The carrying value of other assets and liabilities taken over are immaterial and hence no purchase price has been allocated to them.

3.44 During the year, a case of misappropriation by an employee of amount aggregating ₹ **116.5 million** was detected by the Company. The Company has filed a police complaint against the said employee and the matter is under police investigation. On the basis of the investigation conducted by the management, the Company has recovered ₹ **83.8 million** and has secured recovery of balance amount as at 31 March 2020 and accordingly, the Company has not created any provision in the books of account for balance receivable amount as at 31 March 2020. The Company has terminated the services of the employee.

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Notes

to the standalone financial statements for the year ended 31 March 2020

3.45 In March 2020, the World Health Organisation declared COVID-19 to be a pandemic and several restrictions have been imposed by the Governments across the globe on travel, goods movement and transportation considering public health and safety measures. Considering the Company's products are classified as an 'essential commodity', management believes that the impact of the pandemic may not be significant. As of today, production facilities remain operational, following enhanced internal safety guidelines. The Company follows a multi-sourcing strategy for its raw materials allowing the Company to hedge supply risks and ensure reliable supply. The Company also maintains strategic safety stocks to ensure availability of raw materials and formulated products. The Company has considered internal and external information while assessing recoverability of its assets disclosed in the financial statements upto the date of approval of these financial statements by the Board of Directors. Based on such assessment and considering the current economic indicators, the Company expects to recover the carrying amount of these assets. Board of Directors has also considered the impact of COVID-19 on the business for the foreseeable future and have concluded that the Company has sufficient resources to continue as a going concern. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

As per our report of even date attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Sadashiv Shetty
Partner
Membership No. 048648

Mumbai
5 June 2020

For and on behalf of the Board of Directors of Alkem Laboratories Limited
CIN: L00305MH1973PLC174201

B.N. Singh
Executive Chairman
DIN. 00760310

Sandeep Singh
Managing Director
DIN. 01277984

D.K. Singh
Joint Managing Director
DIN. 00739153

M.K. Singh
Executive Director
DIN. 00881412

Sarvesh Singh
Executive Director
DIN. 01278229

Rajesh Dubey
President - Finance &
Chief Financial Officer

Manish Narang
President - Legal &
Company Secretary

Mumbai
5 June 2020