Corporate Information:

Eris Lifesciences Limited ("the Company") is a public limited company, incorporated and domiciled in India having its registered office at 8th Floor, Commerce House- IV, Prahladnagar, Ahmedabad - 380015, Gujarat, India. The Company is engaged in the manufacture and marketing of pharmaceutical products. The company has a manufacturing plant located in Guwahati, Assam. The Company's shares are listed on the National Stock Exchange of India Limited and BSE Limited.

Note 1: Significant accounting policies

1.1 Basis of preparation :

(A) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with [Companies (Indian Accounting Standards) Rules, 2015] as amended and other relevant provisions of the Act.

(B) Historical Cost Convention

The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Investments in mutual funds and equity investments
- Defined benefit plan – plan assets measured at fair value
- Certain financial assets and liabilities measured at fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices.

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

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(C) Current and Non-current classification

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis", with separate reporting of assets held for sale and corresponding liabilities. Current assets, which include cash and cash equivalents are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Company. A liability is current when it is expected to be settled in normal operating cycle, held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting date. Deferred tax assets and liabilities are classified as non-current assets and liabilities. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

1.2 Use of estimates:

The preparation of the financial statements in conformity with the recognition and measurement principles of Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amount of assets and liabilities is in respect of:

- Sales returns (refer note 1.3)
- Useful lives of property, plant and equipment (refer note 1.4)
- Useful lives of intangible assets (refer note 1.5)
- Impairment of asset (refer note 1.8)
- Valuation of inventories (refer note 1.9)
- Employee benefits (refer note 1.13)
- Valuation of deferred tax assets (refer note 1.14)
- Provisions & contingent liabilities (refer note 1.15)

1.3 Revenue recognition:

a. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of discounts, applicable taxes and returns . The company recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the company's activities, as described below.

b. Provision for sales returns are estimated on the basis of historical experience, market conditions and specific contractual terms and provided for in the year of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with contractual and legal obligations, trade practices, historical trends, past experience and projected market conditions.

c. Other income:

i) Dividend income is recognized when the right to receive dividend is established.

ii) Interest income is recognized using the time-proportion method, based on rates implicit in the transaction.

iii) Other income is recognised when no significant uncertainty as to its determination or realisation exists.

1.4 Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost of acquisition/ construction net of recoverable taxes less accumulated depreciation / amortization and impairment loss, if any. All costs attributable to acquisition of Property, Plant and Equipment till assets are put to use, are capitalized. Subsequent expenditure on Property, Plant and Equipment after its purchase/completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its use. Difference between the sales proceeds and the carrying amount of the asset is recognized in statement of profit and loss.

Depreciation on Property, Plant and Equipment (other than 'Freehold Land' where no depreciation is provided), is provided on the "Written Down Value Method" (WDV) based on the useful lives as prescribed under Schedule II of the Companies Act, 2013 except in respect of some equipments and some furniture and fixtures, in whose case the life of the assets has been assessed as 3 years based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Depreciation on additions/ disposals of the fixed assets during the year is provided on pro-rata basis according to the period during which assets were put to use.

1.5 Intangible Assets:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

Intangible assets are amortized over their respective estimated useful life which reflects the manner in which the economic benefit is expected to be generated. The estimated useful life of amortizable intangibles is reviewed at the end of each reporting period and change in estimates if any are accounted for on a prospective basis.

The estimated useful lives of intangibles are as mentioned below:

Type of intangible assets	Useful life
Trademark/Brands	Upto 50 years
Non-compete fees	Upto 5 years
Software	Upto 6 years

1.6 Business combinations and Goodwill

1.6.1 Business combinations

Business Combinations are accounted for using the acquisition method of accounting. Transaction costs incurred in connection with business combination are expensed out in statement of profit and loss. The identifiable assets and liabilities that meet the condition for recognition is recognized at their fair values at the acquisition date.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

1.6.2 Goodwill

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is deemed to have an indefinite useful life and is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

1.7. Financial Instruments

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction costs that are attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement

i. Debt instruments at amortised cost – A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset gives rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii. Equity investments – The company measures equity investments other than investments in subsidiaries at FVTPL in accordance with the requirements of IND AS 109. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

iii. Mutual funds – All mutual funds within the scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

iv. Investment in Subsidiaries - Investment in subsidiaries are carried at cost in the financial statements as per IND AS 27.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of financial liabilities not recorded at fair value through profit & loss (FVTPL), the transaction costs that are attributable to the acquisition of the financial liabilities are also adjusted. These liabilities are classified as amortised cost.

Subsequent measurement

These liabilities includes borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

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

Offsetting of financial instruments

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

1.8 Impairment of assets:

Financial Asset

A financial asset is assessed at each reporting date to determine whether there is any objective evidence indicating impairment. A financial asset is considered to be impaired, if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of that asset.

Non-Financial Asset

The carrying amount of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated. An impairment loss is recognised as an expense in the statement of profit and loss, for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets' fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets.

An impairment loss is reversed if there is any change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment has been recognised.

1.9 Inventories:

a. Inventories are valued at the lower of cost and net realizable value. Cost of raw materials, packing materials and stores, spares and consumables includes all charges incurred in bringing the goods to the warehouse, including any levies, transit insurance and receiving charges.

b. Costs of Finished Goods and Work-in-Progress are determined on specific identification basis by taking material cost [net of GST and CENVAT credit availed], labor and relevant appropriate overheads.

c. Stock-in-trade is valued at the lower of cost and net realizable value.

1.10 Cash and cash equivalents:

Cash and cash equivalents comprises cash on hand and at banks, short-term deposits (with an original maturity of three months or less from the date of acquisition), and which are subject to insignificant risk of changes in value.

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

1.11 Borrowings:

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

1.12 Earnings Per Share:

Basic earnings per share is computed by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earning per share is calculated by dividing the profit or loss attributable to the owners of the company by weighted average number of equity shares considered for deriving basic earning per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares are adjusted for share splits and bonus shares, as appropriate.

1.13 Employee Benefits:

(A) Defined contribution plan:

The Company's contribution to provident fund and employee state insurance scheme are defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

(B) Defined benefit obligations plan:

(i) The gratuity scheme is administered through the Life Insurance Corporation of India [LIC]. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation done by an independent actuary at the year end, which is calculated using projected unit credit method. Actuarial gains and losses which comprise experience adjustment and the effect of changes in actuarial assumptions are recognised in Other comprehensive income in the period in which they occur.

(ii) The Company also provides benefit of compensated absences to its employees which are in the nature of long-term benefit plan. Provision for compensated absences is made on the basis of actuarial valuation carried out at the Balance Sheet date. The Company recognises actuarial gains and losses that arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation, in the statement of Profit and Loss, as income or expense.

(C) Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. which are recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

1.14 Taxes on Income:

Income tax expense comprises current and deferred tax expense. Income tax expenses are recognized in statement of profit and loss, except when they relate to items recognized in other comprehensive income or directly in equity, in which case, income tax expenses are also recognized in other comprehensive income or directly in equity respectively.

Current tax is the tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of reporting period by the governing taxation laws, and any adjustment to tax payable in respect of previous periods. Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes arising from deductible and taxable temporary differences between the tax base of assets and liabilities and their carrying amount in the financial statements are recognized using substantively enacted tax rates and laws expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. Deferred tax asset are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

1.15 Provisions, Contingent Liabilities and Contingent Assets:

Provisions

Provisions are recognized only when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liability

It is disclosed for:

a. Possible obligations which will be confirmed only by future events not wholly within the control of the company, or

b. Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

1.16 Leases:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Operating lease payments are recognized as an expense on a straight line basis over the lease term unless the payments are structured to increase in line with the expected general inflation so as to compensate for the lessor's expected inflationary cost increases.

1.17 Foreign currency transactions and translation:

Transactions in foreign currencies entered into by the Company are accounted for at the exchange rate prevailing at the date of transaction. Foreign currency monetary assets and liabilities remaining unsettled at the end of the year are translated at the exchange rate prevailing at the end of the year. All differences arising on settlement/restatement are adjusted in the statement of profit and loss.

1.18 Government Grant:

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the Statement of Profit or Loss on a systematic basis over the useful life of the asset

1.19 Perpetual bond:

The company invests in unsecured subordinated perpetual securities. These securities are redeemable at the issuer's option and carry non-cumulative interest coupon at the rate of dividend paid on the issuer's ordinary shares. No interest will be payable if the issuer does not pay any dividend on its ordinary shares for the Financial Year The issuer has classified these instruments as equity under Ind AS 32 Financial Instruments presentation. Accordingly, the Company has classified this investment as Equity Instrument and has accounted at cost as per Ind AS 27 Separate Financial Statements.

1.20 Share-based payment transactions:

Employees Stock Options Plans (ESOP): Equity settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, in accordance with IND AS 102 Share based payment, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "Share based payment reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

1.21 Measurement of Profit before interest, tax, depreciation and amortisation

The Company has opted to present profit before interest (finance cost), tax, depreciation and amortization as a separate line item on the face of the Statement of Profit and Loss for the year. The Company measures profit before interest (finance cost), tax, depreciation and amortization based on profit/(loss) from continuing operations.

1.22 Recent Pronouncements for Indian Accounting Standards (Ind AS) New Standard / Amendments issued but not yet effective:

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules has notified the following new and amendments to existing standards. These amendments are effective for annual periods beginning from April 1, 2019. The Company will adopt these new standards and amendments to existing standards once it become effective & are applicable to it.

Ind AS 116 – Leases

Ind AS 116 'Leases' replaces existing lease accounting guidance i.e. Ind AS 17 Leases. It sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessee to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease accounting model. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The accounting from Lessor perspective largely remain unchanged from the existing standard – i.e. lessor will continue to classify the leases as finance or operating leases.

Based on the preliminary assessment and current conditions, the Company does not expect any significant impacts on transition to Ind AS 116. The quantitative impacts would be finalized based on a detailed a assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options

Amendments to existing Ind AS:

The MCA has carried amendments to the following existing standards which will be effective from 1st April, 2019. The Company is not expecting any significant impact in the financial statements from these amendments. The quantitative impacts would be finalized based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options.

Ind AS 12 - Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The company does not currently have any such long-term interests in associates and joint ventures.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re- measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 2: Property, Plant and Equipment and Intangible Assets
(a) Property, Plant and Equipment:

(₹. In Million)

Particulars	Freehold Land	Building	Plant and Machinery	Vehicles	Equipment	Furniture and Fixtures	Electrical Installation	Total
Gross carrying amount:								
As at April 01, 2017 (At deemed cost)	**31.03**	**190.14**	**190.54**	**54.54**	**245.90**	**23.69**	**3.11**	**738.95**
Additions during the Year	-	-	5.54	14.13	119.10	0.66	-	139.43
Deductions during the year	-	-	-	0.76	-	0.04	-	0.80
As at March 31, 2018	**31.03**	**190.14**	**196.08**	**67.91**	**365.00**	**24.31**	**3.11**	**877.58**
Additions during the Year	-	-	4.92	56.22	158.24	45.29	0.24	264.91
Deductions during the Year	-	-	-	1.33	76.84	3.11	-	81.28
As at March 31, 2019	**31.03**	**190.14**	**201.00**	**122.80**	**446.40**	**66.49**	**3.35**	**1,061.21**
Accumulated depreciation:								
As at April 01, 2017	**-**	**17.24**	**33.96**	**17.05**	**126.18**	**6.25**	**0.77**	**201.45**
Depreciation for the Year	-	15.64	28.90	13.52	108.27	4.69	0.61	171.63
Deductions during the year	-	-	-	0.34	-	0.01	-	0.35
As at March 31, 2018	**-**	**32.88**	**62.86**	**30.23**	**234.45**	**10.93**	**1.38**	**372.73**
Depreciation for the Year	-	19.71	34.37	19.30	132.28	12.20	0.45	218.31
Deductions during the Year	-	-	-	0.81	65.41	1.94	-	68.16
As at March 31, 2019	**-**	**52.59**	**97.23**	**48.72**	**301.32**	**21.19**	**1.83**	**522.88**
Net carrying amount								
As at March 31, 2018	**31.03**	**157.26**	**133.22**	**37.68**	**130.55**	**13.38**	**1.73**	**504.85**
As at March 31, 2019	**31.03**	**137.55**	**103.77**	**74.08**	**145.08**	**45.30**	**1.52**	**538.33**
Capital work in progress								
As at March 31, 2018	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
As at March 31, 2019	**-**	**6.74**	**0.74**	**-**	**-**	**-**	**-**	**7.48**

Note:

1. Refer note 13 for details of Charge/ pledge on above assets.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

(b) Intangible Assets:

(₹. In Million)

Particulars	Goodwill	Other Intangible Assets			
		Trademark/ Brand	Non compete fees	Computer Software	Total
Gross carrying amount:					
As at April 01, 2017 (At deemed cost)	**-**	**329.86**	**50.00**	**13.23**	**393.09**
Additions during the Year	-	101.25	-	1.02	102.27
Acquisition through business combinations (refer note 27)	166.60	3,789.79	-	-	3,789.79
Deductions during the year	-	0.01	-	-	0.01
As at March 31, 2018	**166.60**	**4,220.89**	**50.00**	**14.25**	**4,285.14**
Additions during the Year	-	0.01	-	5.09	5.10
Deductions during the year	-	-	-	-	-
As at March 31, 2019	**166.60**	**4,220.90**	**50.00**	**19.34**	**4,290.24**
Accumulated Amortisation:					
As at April 01, 2017	**-**	**4.37**	**6.44**	**2.02**	**12.83**
Amortisation for the Year	-	33.71	10.00	2.58	46.29
As at March 31, 2018	**-**	**38.08**	**16.44**	**4.60**	**59.12**
Amortisation for the Year	-	84.55	10.00	3.03	97.58
As at March 31, 2019	**-**	**122.63**	**26.44**	**7.63**	**156.70**
Net carrying amount					
As at March 31, 2018	**166.60**	**4,182.81**	**33.56**	**9.65**	**4,226.02**
As at March 31, 2019	**166.60**	**4,098.27**	**23.56**	**11.71**	**4,133.54**
Intangible assets under development					
As at March 31, 2018	**-**	**-**	**-**	**-**	**-**
As at March 31, 2019	**-**	**-**	**-**	**19.82**	**19.82**

Note:

1. Refer note 13 for details of Charge/ pledge on above assets.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 3: Investments

(₹. In Million)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Units/Shares (Numbers)	(₹. In Million)	Units/Shares (Numbers)	(₹. In Million)
Non current investments				
(I) At cost				
In equity instruments of subsidiaries (unquoted) (fully paid up)				
Equity shares of ₹ 10 each held in Eris Therapeutics Private Limited	10,000	1.06	10,000	1.06
Less: Impairment in value of investments		(1.06)		(1.06)
Equity shares of ₹ 10 each held in Aprica Healthcare Private Limited	10,000	0.10	10,000	0.10
Equity shares of ₹ 10 each held in Kinedex Healthcare Private Limited	1,49,997	880.91	1,37,758	773.69
Equity shares of ₹ 10 each held in UTH Healthcare Limited	71,42,857	128.50	71,42,857	128.50
Equity shares of ₹ 10 each held in Eris Healthcare Private Limited (Formerly known as Strides Healthcare private Limited)	43,33,331	900.00	43,33,331	900.00
In Unsecured Perpetual Securities of subsidiaries (Refer note 3.2 below)				
Perpetual securities of 10 each held in Aprica Healthcare Private Limited	80,00,000	80.00	-	-
Perpetual securities of 10 each held in Kinedex Healthcare Private Limited	95,00,000	95.00	-	-
Perpetual securities of 10 each held in UTH Healthcare Limited	2,50,00,000	250.00	-	-
(II) At Fair Value through Profit or Loss				
Investment in Mutual Funds (unquoted) (Refer note 3.1 below)				
Franklin India Credit Risk Fund-Direct-Growth	1,75,37,091	361.19	1,75,37,091	330.45
Franklin India Credit Risk Fund-Growth	-	-	1,64,51,486	296.84
Franklin India Income Opportunity Fund-Direct-Growth	-	-	4,08,91,891	879.97
Franklin India Short Term Income Plan	-	-	1,33,907	511.94
HDFC Corporate Debt Opportunity Fund	-	-	1,81,93,890	262.19
Kotak Medium Term Fund-Growth(Regular Plan)	-	-	2,78,96,191	402.62
Investment in Tax Free Bonds (quoted)				
Rural Electrification Corporation Bond	1,000	1.10	1,000	1.09
Indian Railway Finance Corporation Bond	1,000	1.09	1,000	1.11
Housing and Urban Development Corporation Bond	1,000	1.09	1,000	1.09

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

(₹. In Million)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Units/Shares (Numbers)	(₹. In Million)	Units/Shares (Numbers)	(₹. In Million)
Investment in Equity Instruments				
Quoted	14,745	16.03	14,745	14.28
Unquoted	3,81,588	28.62	3,81,588	14.50
Total (I)+(II)+(III)		**2,743.63**		**4,518.37**
Aggregate carrying value of quoted investments		19.31		17.57
Aggregate market value of quoted investments		19.31		17.57
Aggregate carrying value of unquoted investments		389.81		2,698.51
Current investments				
(I) At Fair Value through Profit or Loss				
Investment in Mutual Funds (unquoted) (Refer note 3.1 below)				
BSL FTP-Series JX-Growth	-	-	60,00,000	84.36
Aditya Birla Sun Life short term opportunities fund -Growth-Direct	23,52,597	75.43	23,52,597	69.92
Franklin India Credit Risk Fund-Growth	1,64,51,486	322.10	-	-
Franklin India Income Opportunity Fund-Direct-Growth	4,08,91,891	958.37	-	-
Franklin India Short Term Income Plan-Direct Growth	1,33,907	560.86	-	-
Kotak Medium Term Fund-Growth(Regular Plan)	2,78,96,191	426.36	-	-
Sundaram Money Fund Direct Plan Bonus (Bonus Units)	12,89,414	18.19	12,89,414	16.91
SBI Liquid Fund Direct Growth	51,331	150.33	-	-
Kotak Liquid Direct Plan Growth	-	-	92,001	324.02
Reliance Liquid Fund - Direct Plan Growth Plan - Growth option	30,743	140.25	-	-
ICICI Prudential Liquid Fund -Direct Plan-Growth	6,78,785	187.63	11,04,297	283.95
Axis Liquid fund -Direct Growth	1,06,839	221.53	82,191	158.43
Total		**3,061.05**		**937.59**

3.1 Details of pledged securities:

Include ₹ 725.75 million (31-03-2018 - ₹ 1,231.27 million) marked under lien against overdraft facilities availed by the company (Refer note 13 for details of Charge/ pledge on above assets.).

3.2 Details of perpetual securities:

The company has invested in unsecured subordinated perpetual securities issued by Aprica Healthcare Private Limited, Kinedex Healthcare Private Limited and UTH Healthcare Private Limited, its subsidiary companies. These securities are redeemable at the issuer's option and carry non-cumulative interest coupon at the rate of dividend paid on the issuer's ordinary shares. No interest will be payable if the issuer does not pay any dividend on its ordinary shares for the Financial Year. The issuer has classified these instruments as equity under Ind AS 32 Financial Instruments presentation. Accordingly, the Company has classified this investment as Equity Instrument and has accounted at cost as per Ind AS 27 Separate Financial Statements.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 4 : Income Taxes

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Expense / (benefit) recognised in the statement of profit and loss:		
Current tax:		
Expense for current year	688.67	679.46
Deferred tax:		
Deferred tax (benefit) for current year	(424.72)	(497.12)
	263.95	**182.34**
(b) Expense / (benefit) recognised in statement of other comprehensive income		
Re-measurement gains on defined benefit plans	0.53	0.39
	0.53	**0.39**
(c) Reconciliation of tax expense :		
Profit before income taxes	3,117.76	3,118.89
Enacted tax rate in India	34.944%	34.608%
Expected income tax expenses	1,089.47	1,079.39
Adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of expenses not deductible in determining taxable profit	27.19	24.42
Effect of income exempt from taxation	(0.89)	(3.02)
Tax incentives	(760.20)	(864.04)
Adjustment of current tax of prior period	1.51	-
Others (net)	(92.60)	(54.02)
Adjusted income tax expense	**264.48**	**182.73**

(d) Income Tax Assets :

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	68.24	68.23
Less: Prior period adjustment	1.51	-
Add: Tax paid in advance, net of provisions during the year	0.40	0.01
Closing Balance	**67.13**	**68.24**

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

(e) Income Tax Liabilities:

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	25.57	22.85
Add: Current tax payable for the year	687.16	679.44
Less: Taxes paid	698.20	676.72
Closing Balance	**14.53**	**25.57**

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
(f) Deferred tax relates to:		
Deferred tax assets		
Property, plant and equipments	94.08	69.85
Minimum Alternate Tax credit entitlement	1,817.98	1,109.86
Employee benefits	42.17	29.73
Other	8.55	8.53
	1,962.78	**1,217.97**
Deferred tax liabilities		
Intangible assets	503.47	209.87
Fair Valuation of Investment	81.55	55.59
	585.02	**265.46**
Total	**1,377.76**	**952.51**

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

(₹. In Million)

Particulars	Property, plant and equipment	Minimum Alternate Tax credit entitlement	Employee benefits	Intangible assets	Fair Valuation of Investment	Other	Total
(g) Movement in Deferred tax Assets/ (Liabilities) relates to							
At April 01, 2017	**50.69**	**452.11**	**20.58**	**(29.14)**	**(48.24)**	**9.00**	**455.00**
Charged/(Credited)							
- To Profit or Loss	(19.16)	(657.75)	(8.76)	180.73	7.35	0.47	(677.85)
- To other comprehensive Income	-	-	(0.39)	-	-	-	(0.39)
At March 31, 2018	**69.85**	**1,109.86**	**29.73**	**(209.87)**	**(55.59)**	**8.53**	**952.51**
Charged/(Credited)							
- To Profit or Loss	(24.23)	(708.12)	(11.91)	293.60	25.96	(0.02)	(424.72)
- To other comprehensive Income	-	-	(0.53)		-	-	(0.53)
At March 31, 2019	**94.08**	**1,817.98**	**42.17**	**(503.47)**	**(81.55)**	**8.55**	**1,377.76**

Note 5: Other Financial Assets

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current		
Security deposits	17.36	41.26
Receivable on sale of Investment in subsidiary	9.78	14.16
Other receivables	49.04	45.85
	76.18	**101.27**
Current		
Insurance claim receivable	0.75	0.78
Interest accrued	0.14	0.40
Security deposits	29.20	35.00
Receivable on sale of Investment in subsidiary	6.00	12.00
Other receivables	76.52	27.09
	112.61	**75.27**
Total	**188.79**	**176.54**

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 6: Other Assets

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Other non-current assets		
Capital Advances	75.51	-
	75.51	**-**
Other current assets		
Prepaid expenses	69.15	35.64
Balances with government authorities		
GST /Cenvat credit receivable	380.27	321.86
Others	6.47	1.11
Advances to supplier	271.80	108.48
Advances to employees	5.35	9.93
	733.04	**477.02**
Total	**808.55**	**477.02**

Note 7: Inventories

(At lower of cost and net realisable value)

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Raw Material and Packing Material {including goods-in-transit ₹ 25.17 (31-03-2018 - ₹ 32.15)}	217.48	181.05
Work-in-progress	19.71	13.46
Finished goods	179.52	149.80
Stock-in-trade {including goods-in-transit ₹ 24.66 (31-03-2018- ₹ 14.46)}	326.75	228.73
Stores, spares & consumables	3.57	2.16
Total	**747.03**	**575.20**

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 8: Trade receivables

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured Considered good	-	-
Unsecured Considered good	758.98	604.96
Trade Receivables which have significant increase in Credit Risk	2.20	-
Trade Receivables-credit impaired	-	-
	761.18	**604.96**
Less: Allowance for doubtful debt (expected credit loss)	2.20	-
Total	**758.98**	**604.96**

Movements in allowance for doubtful trade receivables

Opening Balance	**-**	**-**
Add : Provision during the year	2.20	-
Less : Utilisation during the year	-	-
Closing Balance	**2.20**	**-**

Note 9: Cash and cash equivalents

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Cash and cash equivalents		
Cash on hand	0.19	0.22
Balances with banks in current accounts	18.74	87.86
Cheque in hand	45.71	-
	64.64	**88.08**
(b) Other bank balances		
In fixed deposit accounts to extent held as security deposit with GST department	0.07	0.06
Total	**64.71**	**88.14**

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 10: Loans

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Loans Receivables considered good - Secured		
Loans Receivables considered good - Unsecured	-	-
To related parties (subsidiaries)	-	395.92
To others	20.38	7.79
Loans Receivables which have significant increase in Credit Risk	3.28	-
Loans Receivables - credit impaired	-	-
	23.66	**403.71**
Less: Allowance for doubtful loan	(3.28)	-
Total	**20.38**	**403.71**

Note 11: Share Capital

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised:		
30,00,00,000 (Previous year 30,00,00,000) Equity Shares of ₹ 1 each	300.00	300.00
Total	**300.00**	**300.00**
Issued, Subscribed and Fully Paid-up :		
13,75,19,783 (Previous year 13,75,00,000) Equity Shares of ₹ 1 each fully paid up	137.52	137.50
Total	**137.52**	**137.50**

11.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year:

Particulars	No. of equity shares	(₹. In Million)
Shares outstanding at April 01, 2017	13,75,00,000	137.50
Issued during the year :	**-**	**-**
Shares outstanding at March 31, 2018	13,75,00,000	137.50
Shares issued on exercise of employees stock options:	19,783	0.02
Shares outstanding at March 31, 2019	13,75,19,783	137.52

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

11.2 Aggregate number and class of shares allotted as fully paid up bonus shares during the period of 5 years immediately preceding the balance sheet date:

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Equity shares					
Bonus shares issued during the year	-	-	13,61,25,000	-	-

11.3 Details of shareholders holding more than 5 % equity shares in the company as at the end of the year

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of equity shares held	% of Shareholding	No. of equity shares held	% of Shareholding
1. Amit Indubhushan Bakshi	5,45,13,423	39.64	5,42,71,500	39.47
2. Rakeshbhai Bhikhabhai Shah	1,58,54,000	11.53	1,58,54,000	11.53
3. Bhikhalal Chimanlal Shah	1,06,76,864	7.76	1,10,54,000	8.04

11.4 Terms / Rights attached to the equity shares:

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity share is eligible for one vote per share. The final dividend, if any, proposed by the Board of Directors of the Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

11.5 Share options granted under the Company's employee share option plan:

The Company recognizes compensation expense relating to share-based payments in net profit using fair value in accordance with Ind AS 102, share based payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance multiple awards with a corresponding increase to share options outstanding account.

Note 12 Other Equity

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Retained Earnings	11,390.11	8,537.29
General Reserve	7.00	7.00
Securities premium	13.49	-
Share based payment reserve	11.95	-
Total	**11,422.55**	**8,544.29**

Nature and purpose of reserves:

Retained Earnings: Retained Earnings are the profits that the company has earned till date less any transfer to general reserve, dividends and other distributions to shareholder.

General reserve: General Reserve is created out of profits of the Company. The reserve arises on transfer of portion of the net profit pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Securities premium: The amount received in excess of face value of equity shares is recognised in Securities Premium Reserve. This reserve is available for utilisation in accordance with the provisions of Companies Act, 2013. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve.

Share based payment reserve: The fair value of equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Share based payment reserve.

Note 13: Borrowings

(₹. In Million)

Particulars	Maturity	Terms of repayment	As at March 31, 2019	As at March 31, 2018
Non-Current				
Secured Term Loan from bank (Refer note 1 below)	Nov-2021	16 equal quarterly Instalments	1,759.15	3,760.77
			1,759.15	**3,760.77**
Amount of current maturities of long term debt disclosed under the head Other Financial Liabilities (refer Note-14)			(1,759.15)	(1,023.89)
Total			**-**	**2,736.88**

Term Loans from bank referred above to the extent of :

1. Term Loan of ₹ 1,759.15 million (previous year ₹ 3760.77 million) are secured by way of :

(i) Exclusive charge on the entire current assets of the company, both present and future.

(ii) Exclusive charge on entire immovable property of the Company at Guwahati being the land and building.

(iii) Exclusive charge on movable fixed assets of Guwahati Plant of the company, both present and future.

(iv) Exclusive charge on the Brand/Trademark/Assets acquired on acquisition of business from Strides Shasun Limited.

(v) Term loan from bank was fully repaid on April 04, 2019.

Note 14: Other financial liabilities

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current		
Trade deposits	18.32	17.74
	18.32	**17.74**
Current		
Current maturities of long-term debt (refer Note-13)	1,759.15	1,023.89
Book overdraft*	0.38	3.29
Payable towards purchase of fixed assets	0.86	3.08
	1,760.39	**1,030.26**
Total	**1,778.71**	**1,048.00**

* Mutual funds are marked as lien against OD Limit (Refer note 3).

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 15: Provisions

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Long Term		
Provision for employee benefits (Refer note-28)		
Compensated absences	49.25	43.41
Provision for sales returns (Refer note below)	115.48	106.75
	164.73	**150.16**
Short Term		
Provision for employee benefits (Refer note-28)		
Compensated absences	18.45	18.68
Gratuity	41.02	23.80
Provision for sales returns (Refer note below)	132.75	117.63
	192.22	**160.11**
Total	**356.95**	**310.27**

Provision for sales returns :

The Company, as a trade practice, accepts returns 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)

Opening Provision	**224.38**	**318.41**
Add : Provision during the year	181.69	165.45
Less : Utilisation during the year	157.84	259.48
Closing Provision	**248.23**	**224.38**
Long Term	115.48	106.75
Short Term	132.75	117.63
Total	**248.23**	**224.38**

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 16: Other liabilities

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Deferred Lease rent payment	11.09	11.06
Deferred Capital Subsidy Non current*	43.12	-
	54.21	**11.06**
Current		
Statutory liabilities	165.43	86.86
Advances from customers	10.29	9.02
Deferred Capital Subsidy Current*	14.31	-
	190.03	**95.88**
Total	**244.24**	**106.94**

*Capital subsidy represents Central Capital Investment Subsidy received during the year under North East Industrial & Investment Promotion Policy (NEIIPP). It is recognised in profit or loss account over the periods and in the proportions in which depreciation expense on those assets is recognised.

Note 17: Trade payables

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Due to micro and small enterprises (refer note- 36)	9.61	-
Due to others	739.67	790.30
Total	**749.28**	**790.30**

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 18: Revenue from operations

(₹. In Million)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Sale of products (Refer note 38)	8,811.28	7,323.36
Other operating income		
GST / Excise duty refund	145.21	275.68
Others	8.90	6.97
	154.11	**282.65**
Total	**8,965.39**	**7,606.01**

Note 19: Other income

(₹. In Million)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Interest income	21.56	35.15
Dividend income	0.12	5.90
Net gain on sale of investments	17.11	36.84
Net gain on investments carried at fair value through profit or loss	251.26	203.96
Claims receivable (Refer note 19.1)	10.04	-
Deferred Capital Subsidy (Refer note 19.2)	19.06	-
Miscellaneous income	5.84	0.38
Total	**324.99**	**282.23**

19.1 Claims receivable

During the year, an arbitration award has been awarded in favour of the Company directing the supplier to pay a sum of ₹ 10.04 million to the Company. Since the award has been awarded in favour of the Company, the same has been accounted for in the books of account. Till date, the supplier has not challenged this award of arbitration.

19.2 Deferred Capital Subsidy

Capital subsidy represents Central Capital Investment Subsidy received during the year under North East Industrial & Investment Promotion Policy (NEIIPP). It is recognised in profit or loss account over the periods and in the proportions in which depreciation expense on those assets is recognised.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 20: Cost of material consumed

(₹. In Million)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Raw materials and packing materials		
Opening stock	181.05	114.83
Add: Purchases during the year	618.31	537.01
Less: Closing stock	(217.48)	(181.05)
Total	**581.88**	**470.79**

Note 21: Changes in inventories of Finished goods, Work-in-progress and Stock-in-trade

(₹. In Million)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Inventories at the beginning of the year		
Stock-in-trade	228.73	87.84
Finished goods	149.80	255.77
Work-in-progress	13.46	12.95
	391.99	**356.56**
Inventories at the end of the year		
Stock-in-trade	326.75	228.73
Finished goods	179.52	149.80
Work-in-progress	19.71	13.46
	525.98	**391.99**
Net (Increase) / decrease in stocks	**(133.99)**	**(35.43)**

Note 22: Employee benefits expenses

(₹. In Million)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Salaries, wages and bonus	1,473.26	1,199.20
Contribution to provident and other funds	89.27	73.94
Share based payments to employees	16.52	-
Staff welfare expenses	88.61	35.31
Total	**1,667.66**	**1,308.45**

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 23: Other expenses

(₹. In Million)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Power and fuel	33.39	30.35
Consumption of stores and spares (Indigenous)	14.46	21.60
Labour and security	14.47	12.93
Testing charges	7.73	6.16
Excise duties	-	75.09
Rent	172.51	67.28
Research & Development Expense	41.12	7.74
Freight and forwarding	141.79	77.37
Commission	141.33	123.88
Advertising, publicity and awareness	350.24	345.05
Repairs and maintenance	34.03	20.90
Selling and distribution	618.14	407.29
Travelling and conveyance	694.95	518.08
Communication	10.54	14.69
Legal and professional	252.71	271.76
Rates and taxes	54.89	24.66
Insurance	6.53	6.37
Payments to auditors (Refer note below)	3.71	4.41
Royalty Expense	3.12	1.24
Corporate social responsibility expenditure (Refer note 32)	16.83	7.29
Loss on fixed assets sold/written off	3.22	0.08
Donations	2.10	1.32
Bank charges	1.09	0.47
Provision for doubtful debt	2.20	-
Miscellaneous	16.54	8.42
Total	**2,637.64**	**2,054.43**

(₹. In Million)

Payment to auditors (Excluding GST)	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Statutory Audit fee	2.50	2.10
Reimbursement of expenses	0.09	0.06
Certification fees and other services	1.12	2.25
Grand Total	**3.71**	**4.41**

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 24: Finance cost

(₹. In Million)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Interest on borrowings	215.31	98.63
Interest on financial liabilities at amortised cost	12.62	5.66
Total	**227.93**	**104.29**

Note 25: Earnings per share

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Net profit after tax for the year (₹ in million)	2,853.81	2,936.55
Weighted average number of equity shares outstanding for basic earning per share	13,75,00,000	13,75,00,000
Add : Dilutive share -share options outstanding	1,23,374	-
Weighted average number of equity shares outstanding for diluted earning per share	13,76,23,374	13,75,00,000
Nominal value per equity share (in ₹)	1.00	1.00
Basic earnings per share (in ₹)	20.75	21.36
Diluted earnings per share (in ₹)	20.74	21.36

Note 26:

In the previous year during May 2017, pursuant to a tie-up agreement amongst our Company, Pharmanza, Aeran Lab (India) Private Limited and others, the company entered into deed of assignment to acquire rights and title to the Brands Union, Reunion and Bon-Union for an aggregate consideration of ₹ 100 million, management does not expect any cash outflow from this matter.

Note 27: BUSINESS COMBINATIONS AND ACQUISITIONS

(i) The Company on November 06, 2018 has further acquired 6.71% shareholding of Kinedex Healthcare Private Limited for a consideration of ₹ 107.21 million. The Company has acquired remaining 17.81% shareholding subsequently on April 06, 2019 for a consideration of ₹ 213.73 million in Kinedex Healthcare Private Limited making it a wholly owned subsidiary.

(ii) In the previous year the Company on November 30, 2017 acquired Indian domestic formulation business of Strides Shasun Limited for ₹ 5,000 million.

The India formulations business of Strides Shasun Limited was predominantly comprised of products in the Neurology, Central Nervous System (CNS), gynaecology, and gastrointestinal segments. The acquisition marks the foray of Eris in the CNS, Neurology segments and helps in scaling up its presence in the gynaecology and gastrointestinal segments.

The acquisition has been accounted for using the acquisition method of accounting. Acquisition has been divided into :

a) Business Transfer Agreement with Strides Shasun Limited for ₹ 4,100 million.

b) Share Purchase Agreement with Eris Healthcare private Limited (Formerly known as Strides Healthcare private Limited) to acquire 100% shareholding for ₹ 900 million.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

The following assets and liabilities were recognised as at the date of acquisition (at fair value):

a) Business Transfer Agreement with Strides Shasun Limited

Particulars	**(₹ in million)**
Assets	
Value of Identified Intangible Assets- Brands	3,786.00
Inventories	87.21
Trade Receivables	59.99
Other Asset	29.86
Total Assets	**3,963.06**
Liabilities	
Trade Payable	90.18
Other Liabilities	6.46
Total Liabilities	**96.64**
Net Assets	**3,866.42**
Less: Purchase consideration *	4,033.02
Goodwill (refer note below)	**166.60**

* Difference between business transfer Agreement ₹ 4,100 million and purchase consideration ₹ 4,033.02 million is on account of Working capital adjustment.

Goodwill arose in the acquisition of the above said entity because the consideration paid for the combinations effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Goodwill arising on the acquisition is deductible for tax purposes.

b) Share Purchase Agreement with Eris Healthcare private Limited (Formerly known as Strides Healthcare private Limited) to acquire 100% shareholding. Acquisition costs charged to Profit and Loss

Acquisition costs of ₹ 35.89 million were charged to statement of profit and loss under the head Other Expenses.

(iii) In the previous year the Company on October 01, 2017 has acquired 100% shareholding of UTH Healthcare Limited for a consideration of ₹ 128.50 million.

UTH Healthcare Limited was deriving its revenue primarily from the product group covering vitamins, minerals, and nutrients. The acquisition has improved the offerings of Eris group in the nutraceuticals segment.

(iv) Business acquisition has been done with an primary objective to diversify our existing product portfolio and expanding our business presence.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 28: EMPLOYEE BENEFIT PLANS

A) Defined contribution plans:

The Company makes contributions towards provident fund, a defined contribution retirement benefit plan for qualifying employees. The provident fund is operated by the Regional Provident Fund Commissioner. The Company recognized ₹ 50.62 million (Previous Year ₹ 40.49 million) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

The Company made contributions towards Employees State Insurance Scheme operated by the ESIC Corporation. The Company recognized ₹ 8.79 million (Previous year ₹ 6.72 million) for ESIC contributions in the Statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

B) Defined benefit plans:

Actuarial Valuation for Compensated Absences is done as at the year end and the provision is made as per Company rules with corresponding charge to the Statement of Profit and Loss amounting to ₹ 13.15 million (Previous Year ₹ 9.56 million) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

The company makes annual contributions to the Employee's Group Gratuity cash accumulation scheme of the LIC, a funded defined benefit plan for qualifying employees. The Scheme provides for payment to vested employees at retirement/death while in employment or on termination of employment as per the provisions of the Gratuity Act, 1972. Vesting occurs on completion of 4.6 years of service. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method as per actuarial valuation carried out at the balance sheet date.

The following table sets out the status of the gratuity plan as required under IND AS-19 and the amounts recognized in the Company's financial statements as at March 31, 2019:

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation :		
Obligations at beginning of the year	**80.33**	**59.81**
Current Service Cost	15.54	12.08
Transfer in/(out) obligation	0.68	-
Past Service Cost	-	4.16
On Account of acquisition	-	6.46
Interest Cost	5.13	3.59
Actuarial (gain)/loss on obligation		
- Due to change in Financial Assumptions	(2.51)	(1.70)
- Due to experience adjustments	5.26	2.49
Benefits paid	(8.67)	(6.56)
Obligations at the end of the year	**95.76**	**80.33**
(b) Reconciliation of opening and closing balances of the fair value of plan assets :		
Fair value of plan assets at the beginning of the year	**56.53**	**42.14**
Interest Income	3.96	2.81
Return on plan assets excluding interest income	1.23	(0.33)
Employer Contributions	1.53	18.47
Benefits paid	(8.50)	(6.56)
Fair Value of plan assets at the end of the year	**54.75**	**56.53**

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
(c) Reconciliation of Present Value of Obligation and the fair value of plan assets :		
Present value of the defined benefit obligation at the end of the year	**95.76**	**80.33**
Less : Fair value of plan assets	(54.75)	(56.53)
Funded status (deficit)	41.01	23.80
Net liability recognised in the financial statement	**41.01**	**23.80**
(d) Expense recognised in the statement of profit and loss for the year :		
Service Cost	15.54	16.23
Interest Cost	1.17	0.79
Expense charged to the statement of profit and loss	**16.71**	**17.02**
(e) Expense recognised in other comprehensive income for the year :		
Return on plan assets excluding amounts included in net interest expense	(1.23)	0.33
Actuarial (gain)/loss		
- Due to change in Financial Assumptions	(2.51)	(1.70)
- Due to experience adjustments	5.26	2.49
Expense charged to other comprehensive income	**1.52**	**1.12**
Assumptions:		
Discount rate	7.10%	7.30%
Estimated rate of return on plan assets	7.10%	7.30%
Annual increase in salary costs	6.00%	7.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Retirement age	58 years	58 years

Sensitivity Analysis:		
Impact on defined benefit obligation		
Increase of 0.5% in discount rate	93.99	78.85
Decrease of 0.5% in discount rate	97.64	81.87
Increase of 0.5% in salary escalation rate	97.38	81.68
Decrease of 0.5% in salary escalation rate	94.15	79.03

Expected future Cash outflows towards the plan are as follows :		
Year 1	24.93	20.02
Year 2	18.89	16.78
Year 3	14.88	13.28
Year 4	11.08	9.75
Year 5	9.59	8.33
Year 6 to 10	24.11	20.68

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Investment details of plan assets:

Particulars	As at March 31, 2019	As at March 31, 2018
	%	%
Insurer managed funds with Life Insurance Corporation of India	87%	91%
Bank Balance with Eris lifesciences limited employees group gratuity trust	13%	9%

Notes:

1. The plan assets which are managed by Insurance Company viz Life Insurance Corporation of India, details of those funds invested by the insurer are not available with company.
2. The discount rate is based on the prevailing market yields of government of India securities as at the balance sheet date for the estimated term of the obligations.
3. Expected rate of return on plan assets is determined based on the nature of assets and prevailing economic scenario.
4. The estimate of future salary increases considered, takes into account inflation, seniority, promotion, increments and other relevant factors.
5. The expected contribution to be made by company for gratuity during financial year ending March 31, 2020 is ₹ 41.02 million (previous year ₹ 15.54 million).

Note 29: Fair Value Measurement

(i) Financial assets and liabilities

The carrying value and fair value of financial instruments by category is as follows:

(₹. In Million)

	As at March 31,2019		As at March 31, 2018	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Financial assets:				
Amortised cost:				
Trade receivables	758.98	758.98	604.96	604.96
Cash and cash equivalents	64.64	64.64	88.08	88.08
Other bank balances	0.07	0.07	0.06	0.06
Loans	20.38	20.38	403.71	403.71
Other Financial Asset	188.79	188.79	176.54	176.54
Fair value through profit or loss:				
Investment in mutual funds	3,422.24	3,422.24	3,621.60	3,621.60
Investment in tax free bonds	3.28	3.28	3.29	3.29
Investment in equity instruments (other than investment in subsidiaries)	44.65	44.65	28.78	28.78
Total	**4,503.03**	**4,503.03**	**4,927.02**	**4,927.02**
Financial Liabilities:				
Amortised cost:				
Borrowings	-	-	2,736.88	2,736.88
Trade payables	749.28	749.28	790.30	790.30
Other financial liabilities	1,778.71	1,778.71	1,048.00	1,048.00
Total	**2,527.99**	**2,527.99**	**4,575.18**	**4,575.18**

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

(ii) Fair value hierarchy:

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(₹. In Million)

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets :				
Mutual funds	3,422.24	-	-	3,422.24
Equity instruments	16.03	28.62	-	44.65
Tax free bonds	3.28	-	-	3.28
Total	**3,441.55**	**28.62**	**-**	**3,470.17**
Financial Liabilities :	-	-	-	-
Net Assets/(Liabilities)	**3,441.55**	**28.62**	**-**	**3,470.17**

(₹. In Million)

As at March 31, 2018	Level 1	Level 2	Level 3	Total
Financial assets :				
Mutual funds	3,621.60	-	-	3,621.60
Equity instruments	14.28	14.50	-	28.78
Tax free bonds	3.29	-	-	3.29
Total	**3,639.17**	**14.50**	**-**	**3,653.67**
Financial Liabilities :	**-**	**-**	**-**	**-**
Net Assets/(Liabilities)	**3,639.17**	**14.50**	**-**	**3,653.67**

Determination of fair values:

The following are the basis of assumptions used to estimate the fair value of financial assets and liabilities that are measured at fair value on recurring basis:

Investment in mutual funds :

The fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Equity investments :

Fair value of Equity investments traded in an active market are determined by reference to their quoted market prices. Other equity investments where quoted prices are not available, fair values are determined by reference to the current market value of net assets or relied upon on valuation report of an valuer.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

(iii) Financial risk management :

The Company's activities are exposed to variety of financial risks. These risks include market risk , credit risks and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company through established policies and processes which are laid down to ascertain the extent of risks, setting appropriate limits, controls, continuous monitoring and its compliance.

(a) Market risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. The Company is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion. Market risk comprises of three type of risks namely interest rate risk, currency risk and other price risk such as equity price risk. The Company is not exposed to currency risk and other price risk whereas the exposure to interest risk is given below:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rate.

The Company invests in mutual fund schemes of leading fund houses and tax free bonds. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. Investments in mutual funds and tax free bonds amounts to ₹ 3,425.52 million and ₹ 3,624.89 million as at March 31, 2019 and March 31, 2018 respectively.

The Company borrowing is subject to variable rate interest rate risk. Exposure to secured loan from bank amounts to ₹ 1746.55 million and ₹ 3736.88 million as at March 31, 2019 and March 31, 2018 respectively.

For the year ended March 31, 2019, every 50 basis increase in interest rates would decrease the company profit by approximate ₹ 14.08 million (Previous year :₹ 6.58 million). Impact of 50 basis point decrease in interest rate would have led to an equal but opposite effect.

(b) Credit Risk

The Company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises majorly from cash and cash equivalents, deposits with banks, Investments as well as credit exposures to customers including outstanding receivables.

Credit Risk Management

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations, and arises principally from the companies receivables from customers.

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. To manage this risk, the Company periodically assesses the financial reliability of customers, taking into account their financial position, past experience and other factors. The Company manages credit risk through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 4503.03 million and ₹ 4927.02 million as at March 31, 2019 and March 31, 2018 respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, other financial assets and investments excluding equity investments in subsidiaries, and these financial assets are of good credit quality including those that are past due.

(c) Liquidity Risk

Liquidity Risk is the risk that the company will not be able to meet its financial obligation as they fall due. Liquidity risk arises because of the possibility that the company could be required to pay its liabilities earlier than expected or encounters difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The company approach to managing liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due. The Company generates cash flows from operations to meet its financial obligations and manages liquidity risk by maintaining sufficient cash and bank balance and availability of funding through adequate amount of committed credit facilities.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Contractual maturities of significant financial liabilities are mentioned below. The amounts disclosed in the table are the contractual undiscounted cash flows:

(₹. In Million)

As at March 31, 2019	Less than 1 year	1-3 years	More than 3 years
Borrowings	1,762.60	-	-
Trade payables	749.28	-	-
Other financial liabilities	1.24	-	18.32
	2,513.12	**-**	**18.32**
As at March 31, 2018			
Borrowings	1,023.89	2,000.00	750.00
Trade payables	790.30	-	-
Other financial liabilities	6.37	-	17.74
	1,820.56	**2,000.00**	**767.74**

(iv) Capital management

The capital structure of the Company consists of equity, debt, cash and cash equivalents. The Company's objective for capital management is to maintain the capital structure which will support the Company's strategy to maximize shareholder's value, safeguarding the business continuity and help in supporting the growth of the Company.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 30: Related Party Disclosures

A) List of Related Parties and description of their relationship are as follows:

Sr. No.	Nature of Relationship	Name of the entity
1	**Subsidiaries**	
	From April 01, 2010	Eris Therapeutics Private Limited
	From July 12, 2016	Aprica Healthcare Private Limited
	From November 23, 2016	Kinedex Healthcare Private Limited
	From October 01, 2017	UTH Healthcare Limited
	From December 01, 2017	Eris Healthcare Private Limited (Formerly known as Strides Healthcare private Limited)
2	**Key Managerial Personnel**	
	Managing Director	Mr. Amit Bakshi
	Whole time director	Mr. Himanshu Shah
	Whole time director	Mr. Inderjeet Singh Negi
	Independent Director	Mrs. Vijaya Sampath
	Independent Director	Dr. Kirit Shelat
	Independent Director	Mr. Prashant Gupta
	Independent Director (upto 6th October 2017)	Mr. Rajiv Gulati
	Independent Director (upto 1st February 2018)	Mr. Shardul Shroff
	Nominee Director (upto 26th May 2017)	Mr. Sanjiv Kaul
	Chief Financial Officer	Mr. Sachin Shah
	Company Secretary	Mr. Milind Talegaonkar
3	**Close family member of Key Management Personnel**	
	Brother of Mr. Himanshu Shah (Whole time director)	Mr. Saurabh Shah
4	**Other Related parties**	
	Post-employment benefit plan	Eris Lifesciences Private Limited Employees Group Gratuity Trust Fund
	Control By Director in entity	Horizon Blue Ventures LLP

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

B) Transactions with related parties are as follows:

(₹. In Million)

Sr. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1	**Transaction with Subsidiaries**		
	Aprica Healthcare Private Limited		
	Net Loans and Advances Received Back	64.14	9.40
	Investment in Perpetual bond	80.00	-
	Royalty Income	4.58	4.01
	Interest Income	2.08	6.27
	Reimbursement of expense incurred	0.03	-
	Kinedex Healthcare Private Limited		
	Purchases of Stock-in-trade	0.03	1.95
	Sales of Stock-in-trade	3.53	1.86
	Net Loans and Advances Received Back	92.56	-
	Investment in Perpetual bond	95.00	-
	Royalty Income	0.29	0.33
	Interest Income	2.93	9.23
	Reimbursement of expense incurred	1.66	-
	UTH Healthcare Limited		
	Purchases of Stock-in-trade	8.02	23.49
	Sales of Stock-in-trade	0.24	0.44
	Investment in Perpetual bond	250.00	-
	Net Loans and Advances Given	-	229.70
	Net Loans and Advances Received Back	239.22	-
	Royalty expense	1.38	0.52
	Interest Income	6.96	10.34
	Eris Healthcare Private Limited (Formerly known as Strides Healthcare private Limited)		
	Royalty expense	1.74	0.72
2	**Key Management Personnel compensation**		
	Remuneration	85.67	69.06
	Sitting fees	2.53	1.70
	Stock Options exercised	1.08	-
3	**Close family member of Key Management Personnel compensation**		
	Salary expense	3.86	3.42
4	**Other Related parties**		
	Contribution to Post-employment benefit plan	17.22	23.80

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

C) Balances with related parties at end of the year:

(₹. In Million)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	**Aprica Healthcare Private Limited**		
	Loans and advances Given	-	64.14
	Perpetual bond	80.00	-
	Trade Receivable	-	4.09
	Advance from Customer	3.96	-
2	**Kinedex Healthcare Private Limited**		
	Loans and advances Given	-	92.56
	Perpetual bond	95.00	-
	Trade payable	0.90	2.19
	Trade Receivable	-	2.46
3	**UTH Healthcare Limited**		
	Loans and advances Given	-	239.22
	Perpetual bond	250.00	-
	Trade Receivable	-	0.44
	Trade payable	0.01	26.76
4	**Eris Healthcare Private Limited (Formerly known as Strides Healthcare private Limited)**		
	Other current asset	-	1.14
	Trade Payable	1.78	-

Note 31: Loans to group Companies

Disclosures pursuant to Regulation 34(3) read with Para A of Schedule V to the SEBI (Listing obligations and disclosure requirements) Regulations, 2015 and section 186(4) of the Companies Act, 2013.

(₹. In Million)

Name of the Subsidiary	Amount outstanding as at		Maximum balance during the year	
	March 31, 2019	March 31, 2018	2018-19	2017-18
Aprica Healthcare Private Limited	-	64.14	87.64	105.00
Kinedex Healthcare Private Limited	-	92.56	123.56	116.49
UTH Healthcare Limited	-	239.22	251.94	239.31

Notes

a) The loanees did not hold any shares in the Share capital of the Company.

b) All loans given are for the purposes of the business.

c) During the year loan was received back from subsidiaries and investment in unsecured perpetual bond of subsidiaries was done.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 32: Corporate Social Responsibility (CSR) expenditure

(₹. In Million)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
(a) Gross amount required to be spent by the company as per section 135 of the act	46.55	32.74
(b) Gross amount spent by the company during the year (other than construction/acquisition of asset)	34.70	7.29

Expenditure relating to CSR included in capital advance is ₹ 17.87 million during current year.

Note 33: Contingent Liability

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Claims against the Company not acknowledged as debts:		
Notices relating to DPCO Matters (refer note below)	146.82	137.93
Penalty under section 271(1)(c) of Income Tax Act for Assessment year 2014-15	-	3.30
Others	6.10	-

Note:

The Company has received notices from NPPA (National Pharmaceutical Pricing Authority), under DPCO (Drug Price Control Order), 2013 during the year. Management does not expect any cash outflow from this matter.

Note 34: Leases

The Company has entered into operating lease agreement for office premises and certain facilities. Lease payments recognised in the statement of profit and loss ₹ 172.51 million (Previous year ₹ 67.28 million). The Company has given refundable interest free security deposits in accordance with the agreed terms. The total future minimum lease payments under non-cancellable leases are as below:

(₹. In Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Not later than one year	160.75	93.94
Later than one year and not later than 5 years	107.68	114.19
Later than five years	14.49	24.15

Note 35: ESOP

The Company has introduced 'Eris Lifesciences Employee Stock Option Plan 2017' ("ESOP 2017"/ "Plan") through the resolution passed by the Board of Directors on February 02, 2017 and the same was approved by the shareholders at the extra ordinary general meeting held on February 03, 2017 and subsequently in the eleventh annual general meeting held on September 29, 2017 shareholders ratified the same. Under the scheme, 391,599 (Three lakhs ninety one thousand five hundred ninety nine only) equity shares have been granted to eligible employees of the company and each option (after it is vested) is exercisable for one equity share having face value of ₹ 1 each for an exercise price of ₹ 451.04. Vesting of the options shall take place over a maximum period of 5 years with a minimum vesting period of 1 year from the date of grant i.e. April 12, 2017. The exercise period would be a maximum of 5 years from the date of vesting of options. 34,921 options have lapsed till March 31, 2019.

As per the Scheme, the Nomination and Remuneration Committee grants the options to the employees deemed eligible.

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Pricing Formula

Discount to fair market value of the Equity Shares as on the date of grant.

Method used for accounting of share-based payment plans

The employee compensation cost has been calculated using Black Scholes Option Pricing Model. The assumptions are as stated in the above table. The employee compensation cost as per fair value method for the financial year 2018-19 is ₹ 16.53 million.

Employee stock options details as on the balance sheet date are as follows:

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year	3,68,318	451.04	-	-
Granted during the year	-	-	3,91,599	451.04
Vested during the year	73,664	451.04	-	-
Exercised during the year	19,783	451.04	-	-
Lapsed during the year	11,640	451.04	23,281	451.04
Options outstanding at the end of the year	3,36,895	451.04	3,68,318	451.04
Options available for grant	23,281	-	23,281	-

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Grant date	April 12, 2017
	Weighted average
Stock Price (₹)	601.38
Volatility	20.56%
Risk-free Rate	6.91%
Exercise Price (₹)	451.04
Time To Maturity (In years)	5.50
Dividend yield	1.00%
Option Fair Value (₹)	268.77

NOTES ON STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

Note 36: Micro Small & Medium Enterprises

Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act) and Schedule III of the Companies Act, 2013 for the year ended March 31, 2019. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors.

	Particulars	March 31, 2019	March 31, 2018
a.	The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal amount due remaining unpaid	9.61	-
	Interest amount due remaining unpaid	0.08	-
b.	The amount of interest paid by the buyer in terms of section 16 of the MSME Act 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 has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year	0.08	-
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 section 23 of the MSME Act.	-	-

* payments are done within agreed terms i.e. 60 days but as per MSME Act payment beyond 45 days are disclosed.

Note 37: Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker (CODM), in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the managing director and the company has only one reportable business segment i.e. 'pharmaceuticals'.

Note 38: Revenue from operations

Revenue from operations for periods up to June 30, 2017 includes excise duty, which is discontinued effective July 1, 2017 upon implementation of Goods and Services Tax (GST) in India. In accordance with Ind AS-18, "Revenue", GST is not included in revenue from operations In view of the aforesaid, revenue from operations for the year ended on March 31, 2019 are not comparable with the previous period.

Effective from April 01, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers". The adoption of the standard did not have material impact on the financial results of the Company.

Note 39: Regrouping

Previous year figures have been regrouped / reclassified wherever necessary, so as to make them comparable with those of the current year.

For and on behalf of the Board of Directors

Amit I. Bakshi
Managing Director
DIN: 01250925

Himanshu J. Shah
Whole Time Director
DIN: 01301025

Sachin Shah
Chief Financial Officer

Milind Talegaonkar
Company Secretary
Membership No-A26493

Place : Ahmedabad
Date : May 21, 2019