Notes to the Standalone Financial Statements

1. **Corporate Information:**

   SMS Lifesciences India Limited (SMS Life), (the 'Company') is a Company limited by Shares domiciled in India incorporated under the Companies Act, 1956. The registered office of the Company is at Plot No.19-III, Road No. 71, Jubilee Hills, Hyderabad-500 096, Telangana , India. The Equity Shares of the Company are listed in Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company is engaged in the business of manufacturing of Active Pharma Ingredients and their intermediates. The Company is having manufacturing facilities at Bachupally, Hyderabad and also at Kandivalasa in Vijayanagaram Dist, apart from R&D Center at Gagillapur, Hyderabad.

2. **Basis of preparation of Standalone Financial Statements**

2.1 Statement of Compliance

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules 2015 issued by Ministry of Corporate Affairs ('MCA'). The Company has uniformly applied the accounting policies during the years presented.

These standalone financial statements have been prepared by the Company as a going concern on the basis of relevant IND AS that are effective at the Company's annual reporting date, 31st March, 2020. These Standalone Financial Statements for the year ended 31st March, 2020 were authorized and approved for issue by the Board of Directors on 27th July, 2020.

2.2 Historical Cost Convention:

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

- Certain Financial Assets and Liabilities measured at Fair Value; (refer accounting policy regarding financial instruments).
- employee defined benefit assets/ (liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation; and

2.3 Current and Non-Current Classification:

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

(a) An asset is treated as current when it satisfies the below mentioned criteria:

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

(b) All Other Assets are classified as non-current.

(c) A liability is classified as current when it satisfies the below mentioned criteria:

- Expected to settle the liability in normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

(d) All Other liabilities are classified as non-current.

(e) Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities.

(f) The Operating Cycle is the time between the acquisition of assets for processing and their realization in Cash and Cash Equivalents. The Company has identified Twelve months as its Operating Cycle.

2.4 Functional and Presentation Currency:

These standalone financial statements are presented in Indian rupees (INR), which is also the functional currency of the Company. All amounts have been rounded-off to the nearest lakh, unless otherwise indicated.

3. New and amended standards adopted by the Company:

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1st April 2019:

- IND AS 116, Leases
- Long-term Interests in Associates and Joint Ventures - Amendments to IND AS 28, Investments in Associates and Joint Ventures
- Uncertainty over Income Tax Treatments - Appendix C to IND AS 12, Income Taxes
- Plan Amendment, Curtailment or Settlement - Amendments to IND AS 19, Employee Benefits
- Amendment to IND AS 12, Income Taxes
- Amendment to IND AS 23, Borrowing costs

The amendments listed above did not have material impact on the financial statements.

4. Summary of Significant Accounting Policies:

The standalone financial statements have been prepared using the accounting policies and measurement basis summarized below:

4.1 Revenue Recognition:

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, we apply the following five step approach:

(1) identify the contract with a customer,

(2) identify the performance obligations in the contract,

(3) determine the transaction price,

(4) allocate the transaction price to the performance obligations in the contract, and

(5) recognize revenues when a performance obligation is satisfied.

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

The Company's revenue is derived from sales of goods, service income and income from licensing arrangements. Most of such revenue is generated from the sale of goods. Accounting policies relating to revenue for the periods with effect from 01st April,2018 are as follows:

(i) Revenue from Sale of Goods:

Revenue is recognized when the control of the goods has been transferred to a third party. This is usually when the title passes to the customer, either upon shipment or upon receipt of goods by the customer. At that point, the customer has full discretion over the channel and price to sell the products, and there are no unfulfilled obligations that could affect the customer's acceptance of the product.

Revenue from the sale of goods is measured at the transaction price which is the consideration received or receivable, net of returns, taxes and applicable trade discounts and allowances. Revenue includes shipping and handling costs billed to the customer.

In arriving at the transaction price, the Company considers the terms of the contract with the customers and its customary business practices. The transaction price is the amount of consideration the Company is entitled to receive in exchange for transferring promised goods or services, excluding amounts collected on behalf of third parties. The amount of consideration varies because of estimated rebates, returns and chargebacks, which are considered to be key estimates. Any amount of variable consideration is recognised as revenue only to the extent that it is highly probable that a significant reversal will not occur. The Company estimates the amount of variable consideration using the expected value method

Presented below are the points of recognition of revenue with respect to the Company's sale of goods:

Particulars	Point of recognition of revenue
Domestic Sales	Upon delivery of products to customers (generally formulation manufacturers), from the factories of the Company.
Export Sales	Upon delivery of the products to the customers unless the terms of the applicable contract provide for specific revenue generating activities to be completed, in which case revenue is recognised once all such activities are completed.

(ii) Revenue from Sale of Services:

Revenue from Sale of services is recognised as per the terms of the contracts with customers when the related services are performed or the agreed milestones are achieved.

(iii) Export incentives:

Export incentives comprise of Duty draw back and MEIS (Merchandise Exports Incentive scheme) scrips. Duty drawback is recognised as income when the right to receive credit as per the terms is established in respect of the exports made.

MEIS is recognised as income on receipt of said scrips which will be after receipt of export proceeds. These scrips are freely transferable or can be utilized for the payment of customs duty on Imports.

(iv) Dividend Income:

Dividends are received from financial assets at fair value through profit or loss and at FVOCI. Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of the investment.

(v) Interest Income:

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income, on financial assets at amortised cost and financial assets at FVOCI, is calculated using the effective interest method and the same is recognized in the statement of profit and loss as part of other income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

4.2 Foreign Currency Transactions:

i. Functional and Reporting Currency:

The standalone financial statements are presented in Indian Rupee ('INR' or '₹') which is also the functional and presentation currency of the Company.

ii. Initial Recognition:

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

iii. Conversion on Reporting Date:

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

iv. Exchange Differences:

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

4.3 Property, Plant and Equipment:

(a) Recognition and Initial Measurement

Property, Plant and Equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Cost includes non-refundable taxes, duties, freight, borrowing costs and other incidental expenses related to the acquisition and installation of the respective assets.

Assets under installation or under construction as at the Balance Sheet date are shown as Capital Work in Progress. Advances paid towards acquisition of assets are shown as Capital Advances.

Borrowing Cost relating to acquisition of Property, Plant and Equipment which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to put to use.

Subsequent Costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

(b) Subsequent Measurement (Depreciation and Useful Lives)

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives as estimated by management which coincides with rates prescribed in Schedule II to the Companies Act, 2013.

Depreciation on addition to/deletion from fixed assets made during the year is provided on pro-rata basis from/up to the date of such addition/deletion as the case may be. In case of assets costing less than Rs.5,000/- purchased during the year also depreciation has been provided at normal rates on pro-rata basis from the date of purchase.

Cost of the leasehold land is amortized on a straight-line basis over the term of the lease. Depreciation on landscape is being provided @10% under straight line method.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(c) De-recognition

An item of Property, Plant and Equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

(d) Capital advances

Advances paid towards acquisition of tangible fixed assets outstanding at each balance sheet date are shown under other non-current assets as capital advances.

(e) Capital work-in-progress

Capital work-in-progress includes cost of property, plant and equipment under installation/development as at the balance sheet date.

4.4 Investment Property:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where its applicable borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Investment properties are depreciated using the straight-line method over their estimated useful lives. The useful life of buildings, classified as Investment properties, is considered as 30 years. The useful life has been determined based on technical evaluation performed by the management's expert.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their use. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de- recognition.

4.5 Intangible Assets:

(a) Recognition and Initial Measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

(b) Subsequent measurement (amortization):

The cost incurred on Intangible Assets is amortized over a period of 6 years in case of Computer Software and 4 years for Patents on Straight Line Method.

4.6 Leases:

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Effective 1st April, 2019, the Company adopted IND AS 116 ""Leases"", applied to all lease contracts existing on 1st April, 2019 using the modified retrospective method.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

i) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is premeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of asset (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

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

4.7 Inventories:

Raw material, packaging material, are carried at cost. Stores and spares are being charged to revenue as and when purchased. Cost includes purchase price excluding taxes those are subsequently recoverable by the company from the concerned authorities, freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. Cost of Raw Material, packaging material is determined using the weighted average cost method.

Finished goods and work in progress are valued at the lower of cost and net realizable value. Cost of work in progress and manufactured finished goods is determined on weighted average basis and comprises cost of direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on weighted average basis.

Net realizable 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.

Spare Parts, Stand-by Equipment and Servicing Equipment are recognized in accordance with this IND AS-16 when they meet the definition of property, plant and Equipment. Otherwise, such items are classified as inventory and are valued at Cost.

The carrying cost of raw materials, packing materials, stores and spare parts are appropriately written down when there is a decline in replacement costof such materials and finished products in which they will be incorporated are expected to be sold below cost.

4.8 Cash and Cash Equivalents:

Cash and Cash equivalents include cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investment with original maturities of three months or less that are readily convertible to a known amount of cash which are subject to an insignificant risk of changes in value and are held for meeting short-term cash commitments.

For the Statement of Cash Flows, cash and cash equivalents consists of short term deposits, as defined above, net of outstanding bank overdraft as they are being considered as integral part of the Companies cash management.

4.9 Financial Instruments

(a) Financial Assets

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

a. Debt instruments –

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 give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

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

b. Equity investments –

All equity investments in scope of IND AS 109 are measured at fair value. 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.

Investment in Associates, Subsidaries and Joint Venture:

Investments in Subsidiaries, Associates and Joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

Upon first-time adoption of IND AS, the Company has elected to measure its investments in Subsidiaries, Associates and Joint ventures at the Previous GAAP carrying amount as its deemed cost on the date of transition to IND AS i.e., 1st April, 2016.

(iii) 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.

(b) Financial liabilities

(i) Initial Recognition and Measurement

All financial liabilities are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortized cost.

(ii) Subsequent Measurement

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

(iii) 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.

(c) Financial Guarantee Contracts

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

(d) 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 recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(e) Impairment of Financial Assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including Prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

(f) Trade Receivables

The Company applies approach permitted by IND AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of receivables.

(g) Other Financial Assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

4.10 Income Taxes:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the respective laws of the state. Current tax includes taxes to be paid on the profit earned during the year and for the prior periods.

Deferred income taxes are provided based on the balance sheet approach considering the temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where a component has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if it is probable that they can be utilised against future taxable profits.

The Carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

4.11 Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman and managing director has been identified as being the Chief Operating Decision Maker (CODM). The Company is engaged in manufacturing and sale of Active Pharma Ingredients and their Intermediates and operates in a single operating segment. Revenues are attributed to geographical areas based on the location of the customers.

4.12 Government Grants:

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

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

Government grants relating to loans or similar assistance with an interest rate below the current applicable market rate are initially recognized and measured at fair value. The effect of this favorable interest is regarded as a government grant and is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

4.13 Borrowings:

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of financial statements for issue, not to demand payment as consequence of the breach.

4.14 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

4.15 Provisions

Provisions are recognized when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognized for future operating losses.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provisions.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. Where the effect of the time of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognized as a finance cost.

Provision for litigation related obligation represents liabilities that are expected to materialize in respect of matters in appeal.

4.16 Dividends

The Company recognises a liability to make cash to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognized directly in equity. Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

4.17 Research and Development:

Revenue Expenditure on Research and Development is charged to revenue in the year in which it is incurred. Capital Expenditure on research and development is added to Property, Plant and Equipment and depreciated in accordance with the policies of the Company.

4.18 Post Employee Benefits:

(a) Defined Contribution Plan:

The Company's contribution to provident fund and employee state insurance schemes is charged to the statement of profit and loss. The Company's contributions towards Provident Fund are deposited with the Regional Provident Fund Commissioner under a defined contribution plan.

(b) Defined Benefit Plan:

The Company has gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognized in the balance sheet for defined benefit plans as the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries as per the requirements of IND AS 19 "Employee Benefits". Actuarial gains and losses resulting from re-measurements of the liability are included in other comprehensive income.

The Company has subscribed to a group gratuity scheme of Life Insurance Corporation of India (LIC). Under the said policy, the eligible employees are entitled for gratuity upon their resignation, retirement or in the event of death in lump sum after deduction of necessary taxes upto a maximum limit as per the Gratuity Act, 1972. Liabilities in respect of the Gratuity Plan are determined by an actuarial valuation, based upon which the Company makes contributions to the Gratuity Fund.

(c) Other Long-Term Employee Benefits

The Company also provides benefit of compensated absences to its employees which are in the nature of long -term benefit plan. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date as per the requirements of IND AS "Employee Benefits". Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the year in which such gains or losses arise.

(d) Short-Term Employee Benefits

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

4.19 Earnings per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

4.20 Contingent Liabilities and Commitments:

Where it is not probable that an outflow of economic resources will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statement of balance sheet and is disclosed as a contingent liability.

Possible outcomes on obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities.

Contingent Assets are neither recognized nor disclosed. However, when realization of Income is virtually certain, related asset is recognized.

4.21 Fair Value Measurement

The Company measures Financial Instruments at fair value at each Balance Sheet Date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for such asset or liability, or in the absence of a principal market, in the most advantageous market which is accessible to the Company.

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

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

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

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

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

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurements 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.

4.22 Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company.

(i) Recognition of Deferred Tax Assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

(ii) Recognition of Deferred Tax Liability on Undistributed Profits:

The extent to which the Company can control the timing of reversal of deferred tax calculation on undistributed profits of its subsidiaries requires judgment.

(iii) Evaluation of Indicators for Impairment of Assets:

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

(iv) Recoverability of Advances/Receivables:

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

(v) Useful lives of Depreciable/Amortizable Assets:

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment.

(vi) Defined Benefit Obligation (DBO):

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

(vii) Fair Value Measurements:

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(viii) Provisions:

At each balance sheet date the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However, the actual future outcome may be different from this judgment.

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

Note No. 5: Property, Plant and Equipment

Particulars	Land	Buildings	Plant & Machinery	Pollution Control Equipment	Data Processing Equipment	Furniture & Fixtures	Office Equip-ment	Vehicles	Others	Total	Capital Work-in-Progress
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
I. Year ended 31st March, 2019											
a. Gross Carrying Amount											
1 Opening Gross Carrying Amount	242.21	1,318.79	6,082.15	94.11	29.63	42.46	4.11	144.59	13.48	7,971.54	708.80
2 Additions	-	873.04	1,515.87	-	15.59	29.61	9.38	30.83	20.73	2,495.05	1,838.35
3 Disposals	-	-	(46.66)	-	-	-	-	(2.70)	-	(49.36)	(2,415.69)
4 Closing Gross Carrying Amount as at 31st March, 2019 (1+2+3)	**242.21**	**2,191.83**	**7,551.36**	**94.11**	**45.22**	**72.07**	**13.49**	**172.72**	**34.21**	**10,417.23**	**131.46**
b. Accumulated Depreciation and Impairment											
5 Opening Accumulated Depreciation	-	119.68	923.00	35.25	20.97	8.40	1.55	31.22	3.08	1,143.15	-
6 Depreciation Charge during the Year	-	66.92	458.81	13.72	7.56	5.57	0.80	20.14	1.82	575.35	-
7 Disposals	-	-	(7.19)	-	-	-	-	(2.57)	-	(9.76)	-
8 Closing Accumulated Depreciation and Impairment as at 31st March, 2019 (5+6+7)	-	186.60	1,374.62	48.97	28.53	13.97	2.35	48.79	4.90	1,708.74	-
c. Net Carrying Amount as at 31st March, 2019 (4-8)	**242.21**	**2,005.24**	**6,176.73**	**45.14**	**16.69**	**58.10**	**11.14**	**123.93**	**29.31**	**8,708.49**	**131.46**

(Contd.)

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

Note No. 5: Property, Plant and Equipment (Contd.)

Particulars	Land	Buildings	Plant & Machinery	Pollution Control Equipment	Data Processing Equipment	Furniture & Fixtures	Office Equip-ment	Vehicles	Others	Total	Capital Work-in-Progress
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
II. Year ended 31st March, 2020											
a, Gross Carrying Amount											
1 Opening Gross Carrying Amount	304.69	2,211.96	7,551.36	94.11	45.22	72.07	13.49	172.72	34.21	10,499.83	143.25
2 Additions	-	218.49	996.49	-	8.58	7.58	4.02	-	-	1,235.16	1,326.61
3 Disposals/Transfers	-	-	(19.36)	-	-	-	-	(8.56)	-	(27.92)	(1,223.06)
4 Closing Gross Carrying Amount as at 31st March, 2020 (1+2+3)	**304.69**	**2,430.45**	**8,528.49**	**94.11**	**53.80**	**79.65**	**17.51**	**164.16**	**34.21**	**11,707.07**	**246.80**
b. Accumulated Depreciation											
5 Opening Accumulated Depreciation	-	189.68	1,374.62	48.97	28.53	13.98	2.35	48.79	4.90	1,711.82	-
6 Depreciation Charge during the Period	-	87.69	531.86	7.49	9.76	7.56	2.05	21.64	5.69	673.74	-
7 Disposals/Transfers/ Adjustments	-	-	(14.80)	-	-	-	-	(8.14)	-	(22.94)	-
8 Closing Accumulated Depreciation as at 31st March, 2020 (5+6+7)	**-**	**277.37**	**1,891.68**	**56.46**	**38.29**	**21.54**	**4.40**	**62.29**	**10.59**	**2,362.62**	**-**
c. Net Carrying Amount as at 31st March, 2020 (4-8)	**304.69**	**2,153.08**	**6,636.81**	**37.64**	**15.51**	**58.12**	**13.11**	**101.86**	**23.62**	**9,344.45**	**246.80**

5.1 Property, Plant and Equipment pledged as Security

Refer Note 41 for information on Property, Plant and Equipment pledged as security by the Company

5.2 Refer Note 48.1 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

5.3 The Gros Carrying amount of land Rs 20.00 Lakhs situated at Plot No.D-63, Phase-I, IDA Jeedimetla, Hyderabad, acquired from M/s Divya Enterprises Limited on which the company does not have title, in view of issues pending between TSIIC and M/s Divya Enterprises Limited, the vendor. The Company is Pursuing with TSIIC to sort out the issue.

5.4 The Land and Buildings Situated at Plot No.C 23, Industrial Estate Sanathnagar, Hyderabad, which was let out to M/s Aurore life Sciences Private Limited, the lessee has vacated the premises on our request. w.e.f 01.06.2019. The Company has started its R & D activities in the month of June, 2019.

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

Note No. 6: Right of Use Assets and Lease Liabilites

The Company has adopted Ind AS 116 - Leases with effect from 01.04.2019 using modified retrospective method. This has resulted in recognizing right of use assets and lease liability as on 01.04.2019.

6.A Right of Use Assets

Following are the changes in the carrying value of right of use assets for the year ended 31st March 2020:

Particulars	Category of ROU asset
Balance as at 1st April, 2019	
On account of adoption of Ind AS	134.38
Additions	-
Deletions : Depreciation	47.43
Balance as at 31st March, 2020	**86.95**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

6.B Lease Liabilites

The following is the movement in lease liabilities during the year ended 31st March , 2020:

Particulars	As at 31st March, 2020
Balance as at 1st April, 2019	
On account of adoption of Ind AS 116	134.38
Additions	-
Deletions : Payment of lease liabilities	40.78
Balance as at 31st March, 2020	**93.59**

The table below provides details regarding the contractual maturities of lease liabilities as at 31st March, 2020 on an undiscounted basis

Particulars	Total
Less than one year	54.00
One to five years	50.40
More than five years	-
Total	**104.40**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

6.1 Operating Lease Commitments - Company as Lessor :

The Company has not given any of its assets on Lease basis.

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

Note No. 7: Intangible Assets

Particulars		Computer Software
(1)		(2)
Year ended 31st March, 2019		
Gross Carrying Amount		
1	Opening Gross Carrying Amount	2.66
2	Additions	2.70
3	Disposals	-
4	**Closing Gross Carrying Amount as at 31st March, 2019 (1+2-3)**	**5.36**
	Accumulated Amortisation and Impairment	
5	Opening Accumulated Amortisation	0.28
6	Amortisation Charge during the year	0.61
7	Disposals	-
8	**Closing Accumulated Amortisation and Impairment as at 31st March, 2019 (5+6-7)**	**0.89**
9	**Closing Net Carrying Amount as at 31st March, 2019 (4-8)**	**4.47**
Year ended 31st March, 2020		
Gross Carrying Amount		
1	Opening Gross Carrying Amount	5.36
2	Additions	17.03
3	Disposals	-
4	Closing Gross Carrying Amount as at 31st March, 2020 (1+2-3)	**22.39**
	Accumulated Amortisation	
5	Opening Accumulated Amortisation	0.88
6	Amortisation Charge during the Period	3.22
7	Disposals	-
8	Closing Accumulated Amortisation as at 31st March, 2019 (5+6-7)	4.10
9	**Closing Net Carrying Amount as at 31st March, 2020 (4-8)**	**18.29**

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

Non Current Financial Assets - Unsecured, Considered Good

Note No.	Particulars	As at 31st March, 2020 Shares	As at 31st March, 2020 Amount	As at 31st March, 2019 Shares	As at 31st March, 2019 Amount
8	**Non-Current Investments**				
	(Un quoted, fully paidup)				
	(a) Investment in Subsidaries				
	M/s. Mahi Drugs Private Ltd	**4,715,100**	**2,577.30**	4,715,100	2,577.30
	(b) Investment in other Companies				
	Equity Shares of Rs.100/- each in				
	M/s. Jeedimetla Effluent Treatment Ltd	**2,253**	**2.25**	2,253	2.25
	Equity Shares of Rs.10/- each in				
	M/s. Patancheru Envirotech Ltd	**17,538**	**1.75**	17,538	1.75
	M/s Sireen Drugs Private Ltd	**1,000**	**0.10**	1,000	0.10
	Total		**2,581.40**		**2,581.40**
	Aggregate amount of unquoted investments		2,581.40		2,581.40
	Aggregate amount of quoted investments and market value thereof		-		-
	Aggregate amount of impairment in the value of investment		-		-
8.1	Mahi Drugs Private limited is a wholly Owned Subsidiary of the Company.				

Note No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
9	**Bank Balances**		
	Margin Money Deposits	-	104.09
	Fixed Deposit	-	0.79
	Total	**-**	**104.88**
10	**Other Non-Current Financial Assets**		
	Security Deposits	**217.48**	**216.46**
	Total	**217.48**	**216.46**
11	**Other Non-Current Assets**		
	Capital Advances	**278.59**	**261.88**
	Total	**278.59**	**261.88**

11.1 An amount of Rs.251.88 Lakhs (Previous Year Rs. 251.88 Lakhs) was included in the Capital Advances paid on account of land admeasuring AC 19.00 in JNPC, Parwada, Visakhapatnam District, and the amount so paid is equivalent to 100% land cost to APIIC and about 80% of development cost to Ramky Pharmacity. Due to the Cancellation of part of land alloted to the company earlier, the comapny has filed a writ petition before the Hon'ble High Court. The Court has granted stay and the case is pending.

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

Note No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
12	**Inventories**		
	(Cost or Net Realisable Value, whichever is lower and as valued and certified by the Management)		
	(a) Raw Materials	**2,508.06**	3,181.86
	(b) Stock in Process	**2,218.33**	2,154.32
	(c) Finished Goods	**1,347.62**	2,040.91
	(d) Coal & Fuel	**30.56**	9.95
	Total	**6,104.56**	**7,387.04**

12.1 Rawmaterials includes Stock in Transit of Rs.57.20 Lakhs (31st March, 2019 Rs. Nil)

12.2 Finished Goods includes stock in transit of Rs.347.85 Lakhs (31st March, 2019 Rs.1,155.49 Lakhs).

13	**Trade Receivables**		
	Trade Receivables	**1,956.40**	2,461.64
	Receivables from related parties (Refer Note:13.2)	**341.80**	1,284.41
	Less: Loss Allowance	**(95.96)**	(88.40)
	Total Trade Receivables	**2,202.24**	**3,657.65**
	Current Receivables	**2,202.24**	3,657.65
	Non Current Receivables	-	-
	Break-up of Security Details		
	Trade Receivables cosidered Good-Secured	**19.75**	178.51
	Trade Receivables cosidered Good-Un Secured	**2,278.45**	3,567.54
	Trade Receivables which have significant increase in credit risk	-	-
	Trade Receivables - credit impaired	-	-
	Total	**2,298.20**	3,746.05
	Less Loss Allowance	**95.96**	88.40
	Total Trade receivables	**2,202.24**	**3,657.65**

13.1 The Company has computed the expected credit loss allowance for doubtful trade receivables based on past experience. During the year a spcial provision of 12.5% has been made on the Ranitidine HCL export receivables as the said material is beeing returned due to NDMA impurity limits issue in the regulatory markets.

In calculating expected credit loss, the Company has also considered credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.

13.2 Trade Receivables recoverable from related parties represents Rs 63.48 Lakhs (Previous Year Rs 1,046.77 Lakhs) due from SMS Pharmaceuticals Limited Rs 233.91 Lakhs (previous year Rs 77.64 Lakhs) due from R Chem (Somanahalli) Private Limited and Rs 44.41 Lakhs (previous Year Rs 160 Lakhs) due from Mahi Drugs Private limited a Wholly Owned Subsidiary

13.3 Trade Receivables amounting Rs. 19.75 Lakhs (31st Mach, 2019 Rs. 178.51 Lakhs) is held against letter of credit provided by customers of the Company.

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

Note No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
14	**Cash and Cash Equivalents**		
	(a) Balances with Banks		
	- in Current Accounts	**44.20**	69.23
	- in EEFC account	**13.84**	130.32
	(b) Cash in Hand	**7.40**	3.52
	Total	**65.44**	**203.07**
15	**Bank Balances other than Cash and Cash Equivalents**		
	Margin Money Deposit	**163.38**	43.63
	Fixed Deposit	**0.79**	-
	Balance of Unclaimed Dividend	**0.43**	-
	Total	**164.60**	**43.63**
15.1	Margin Money deposits are subject to the first charge against Bank Gurantee and/or letter of credits.		
16	**Other Current Assets**		
	(Unsecured Considered Good)		
	GST Credit Receivable	**348.44**	518.67
	GST Refund Receivable	**70.04**	355.94
	Advances to Suppliers (Refer Note : 16.1)	**957.00**	571.01
	Export Incentives Receivable	**59.20**	131.96
	Income Tax Refund Receivable	**67.56**	40.95
	Prepaid Expenses	**24.53**	15.62
	Interest Receivable	**9.05**	10.48
	Other Advances and Receivables	**48.03**	7.99
	Total	**1,583.85**	**1,652.62**

16.1 Advance to Suppliers includes an amount of Rs. 300.00 Lakhs (31st March, 2019 Rs. 199.07 Lakhs) to R Chem (Somanahalli) Pvt Ltd, a related Party and also includes an amount of Rs. 350.00 Lakhs (31st March, 2019 Rs. Nil,) to Mahi Drugs Private Limited , a Wholly Owned Subsidiary.

16.2 An amount of Rs.133.39 Lakhs was included in the Advances to suppliers paid on account of import of raw materials. The imported materials were kept with Universal Logisitics, a Customs notified godown,Chennai where the said material got damaged due to fire accident. Consequent upon the refusal of Insurance claim by Cholamandalam MS General Insurance Company, Universal Logistics has filed a case against Insurance Company before the National Consumer Disputes Redressal Commission (NCDRC), New Delhi, and made the Company as one of the party. Subsequently, the company has also filed a case against the Universal Logistics for recovery before the said authority. The said cases are still pending.

Note No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
17	**Current Tax Assets (Net)**	**-**	**9.52**
17.1	**Current Tax Assets/(Liabilities)**		
	Advance Tax	**275.00**	630.00
	TDS Receivable	**7.30**	9.52
	Less: Provision for Income Tax	**325.00**	630.00
	Sub Total	**(42.70)**	**9.52**
	Amount disclosed under current tax Liabilities.	**42.70**	-
	Total	**-**	**9.52**

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

Note No.	Particulars	As at 31st March, 2020		As at 31st March, 2019	
		Number of shares	Amount	Number of shares	Amount
18	**Equity Share Capital**				
	Authorised Share Capital				
	Equity Shares of Rs. 10/- each	**3,250,000**	**325.00**	3,250,000	325.00
	Issued, Subscribed and fully Paid Up				
	Equity Shares of Rs. 10/- each	**3,023,287**	**302.33**	3,023,287	302.33
	Total	**3,023,287**	**302.33**	**3,023,287**	**302.33**

18.1 All the above Shares were issued for consideration other than cash during the year 2016-17 in pursuance of de-merger scheme

18.2 Reconciliation of Number of Equity Shares outstanding at the beginning and at the end of the Year

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	Amount	Number of shares	Amount
Equity Shares				
At the beginning of the Year	3,023,287	302.33	3,023,287	302.33
Issued/(Reduced) during the Year	-	-	-	-
At the end of the Year	**3,023,287**	**302.33**	**3,023,287**	**302.33**

18.3 Rights attached to Equity Shares

The Company has only one class of equity shares having face value of Rs.10/- per share. The Company declares and pays dividends in Indian rupees. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts the distribution will be in proportion to the number of equity shares held by the shareholders. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

18.4 Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	% holding	Number of shares	% holding
Ramesh Babu Potluri	518,105	17.14%	518,105	17.14%
Hima Bindu Potluri	291,905	9.66%	441,905	14.62%
TVVSN Murthy*	436,012	14.42%	436,012	14.42%
T. Annapurna	306,797	10.15%	156,797	5.19%
Potluri Infra Projects LLP	213,213	7.05%	213,213	7.05%

*including shares held in the capacity of Karta of HUF aggregating to 1,42,191 Shares.

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

Note No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
19	**Other Equity**		
	Reserves and Surplus		
	Capital Reserve	**1.00**	1.00
	General Reserve	**6,516.02**	6,516.02
	Retained Earnings	**4,506.22**	3,678.51
	Total	**11,023.24**	**10,195.53**
19.1	**Capital Reserve**		
	Opening balance	**1.00**	1.00
	Adjustments-	**-**	-
	Closing Balance	**1.00**	**1.00**

19.1.1 Capital Reserve was created during the earlier year due to cancellation of Equity Share Capital held by the Company before issue of Equity Shares in Pursuance of Demerger Scheme.

Note No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
19.2	**General Reserve**		
	Opening balance	**6,516.02**	6,516.02
	Adjustments	**-**	-
	Closing Balance	**6,516.02**	**6,516.02**
19.3	**Retained Earnings**		
	Opening Balance	**3,678.51**	2,021.46
	Net profit for the Year	**914.73**	1,663.33
	Dividend	**(45.35)**	-
	Dividend Distribution Tax	**(9.32)**	-
	Items of Other Comprehensive Income	**-**	-
	Remeasurement Gain/(Loss) of the Defined Benefit Plans, net of tax	**(32.34)**	(6.28)
	Closing balance	**4,506.22**	**3,678.51**

19.4 Nature and Purpose of Reserves

(i) Capital Reserve

Capital Reserve was created during the year 2017-18 on cancellation of share capital existing as on the date of issue of share capital in pursuance of Demerger Scheme. The Company uses this reserve for transactions in accordance with the provisions of the Companies Act, 2013.

(ii) General Reserve:

Though mandatory transfer to General Reserve is not required under the Companies Act,2013, the Company generally appropriates a portion of its earnings to the general reserve to be used for contingencies. These reserves are freely available for use by the Company.

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

(iii) Retained Earnings:

These are the accummulated earnings after appropriation of total comprehensive income and related transfers. The company uses retained earnings in accordance with the provisions of the Companies Act.

(e) Analysis of items of OCI, net of tax

Re-measurements of defined benefit plans (Refer Note no: 38)
Re-measurements of defined plans comprises actuarial gains and losses and return on plan assets

Financial Liabilities

Note No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
20	**Non - Current Borrowings**		
20.1	**Secured**		
	(i) Term Loans from Banks		
	(a) Export Import Bank of India TL-I	-	293.09
	(b) Export Import Bank of India TL-II	**1,866.27**	1,864.73
	(ii) Hire Purchase Loans	**5.27**	24.72
	Sub Total	**1,871.54**	**2,182.54**
20.2	**Unsecured**		
	(i) Sales Tax Deferment	-	42.92
	(ii) From Directors	**495.00**	495.00
	Sub Total	**495.00**	537.92
	Total	**2,366.54**	**2,720.46**

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

Note No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
20.3	**Current Maturities of Non Current Borrowings**		
	Secured		
	(a) Term Loans from Banks		
	(i) Export Import Bank of India TL I	**297.68**	600.00
	(ii) Export Import Bank of India TL II	**100.00**	25.00
	(b) Hire Purchase Loans	**11.98**	17.64
	Unsecured	**-**	-
	(a) Sales Tax Deferment	**42.92**	69.63
	Total	**452.58**	**712.27**
	Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note: 25)	**(452.58)**	(712.27)
	Total	**-**	**-**

20.1.1 Security Terms

(a) Term Loan I availed from Export-Import Bank of India is secured by first charge of all movable and immovable fixed assets both present and future and second charge of all current assets both present and future and guaranteed by Sri P.Ramesh Babu, Director and Sri TVVSN Murthy, Managing Director of the company in their personal capacity.

(b) Term Loan II availed from Export-Import Bank of India is secured by first charge of all movable and immovable fixed assets both present and future and second charge of all current assets both present and future and guaranteed by Sri TVVSN Murthy, Managing Director of the company and Sri.T.V.Praveen, Senior Vice President of the Company, relative of the Managing Director, in their personal capacity.

(c) Hire Purchase Loans availed from ICICI Bank Ltd and Yes Bank Ltd, are secured by the respective vehicles.

(d) The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in Note: 41.

20.1.2 Rate of Interest:

(a) The above said Term Loan I carries an interest rate @ 11.5% p.a (LTMLR+250 bps p.a.)

(b) The above said Term Loan II carries an interest rate @ 10.35% p.a (LTMLR+115 bps p.a.)

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

20.1.3 Terms of Repayment

(a) Term loan I availed from Export Import Bank of India amounting to Rs.3,000.00 Lakhs for funding the Expansion Project of Kazipally unit. The loan is repayable in 20 Quarterly Installments of Rs. 150.00 Lakhs each, commencing from December, 2015.

(b) Term Loan -II availed from Export Import Bank of India amounting to Rs 2,000.00 Lakhs for funding the Expansion Project of Kazipally unit. The said loan is repayable in 24 Quarterly Installments commencing from February, 2020, as mentioed below

First 4 Quarters	Rs. 25.00 Lakhs Each
Next 4 Quarters	Rs. 75.00 Lakhs Each
Next 16 Quarters	Rs. 100.00 Lakhs Each

(c) Vehicle Loans are repayable in 36 monthy instalments.

20.2.1 Un-Secured Loans

(a) The Company has taken Unsecured Loan from Sri TVVSN Murthy, Managing Director for an amount of Rs. 495.00 Lakhs. The said loan is carrying interest rate of 9.50% pa.

(b) Sales Tax (deferment) Loan liability availed in 2007-08 of Rs. 42.92 Lakhs is due for repayment on or before 31st March, 2021

20.5 Debt Reconciliation as required by IND AS -7, Statement of Cash Flows

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening Borrowings	**2,720.46**	1,519.07
Add: Opening Current Maturities	**712.27**	616.93
Add: Amortisation of Transaction Cost	**6.13**	(5.67)
Add: Received during the year	**100.00**	1,922.00
Less: Paid during the year	**719.73**	619.60
Closing Borrowings	**2,819.13**	3,432.73
Less: Closing Current Maturities	**452.59**	712.27
Non Current Borrowings as per Balance Sheet	**2,366.54**	**2,720.46**

21 Provisions

Provision for Employee Benefit Obligations		
Non Current		
Gratuity	**222.30**	192.12
Leave Encashment	**36.76**	32.06
Sub Total	**259.06**	**224.18**
Current		
Gratuity	**55.99**	35.11
Leave Encashment	**26.93**	24.69
Sub Total	**82.92**	**59.80**
Total		
Gratuity	**278.28**	227.24
Leave Encashment	**63.70**	56.75
Grand Total	**341.98**	**283.99**

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

21.1 For details of Post Employment Benfits. Refer Note 40.

22 Deferred Tax Liabilities (net)

The balance comprises Temporary Differences attributable to:

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Deferred Tax Liability		
(i) Property, Plant and Equipment	**1,130.16**	1,009.63
(ii) Other Items	**3.29**	5.00
Total	**1,133.45**	**1,014.63**
(b) Deferred Tax Asset		
(i) Expenses allowable on Payment basis	**104.28**	91.29
(ii) Other Items giving raise to temperary diferances	**155.79**	126.11
Total	**260.07**	**217.40**
Net Deferred Tax Liabilities (a)-(b)	**873.38**	**797.23**

(c) Movement in Deferred Tax Liabilities

Particulars	Property, Plant and Equipment	Other Items	Total
As at 01st April, 2018	**901.96**	**3.20**	**905.16**
Charged/(Credited)	107.67	1.80	109.48
As at 31st March, 2019	**1,009.63**	**5.00**	**1,014.64**
Charged/(Credited)	120.53	(1.71)	118.81
As at 31st March, 2020	**1,130.16**	**3.29**	**1,133.45**

(d) Movement in Deferred Tax Assets

Particulars	Expenses allowable on Payment basis	Other Items	Total
As at 01st April, 2018	**80.03**	**108.39**	**188.42**
(Charged)/Credited	11.26	17.72	28.98
As at 31st March, 2019	**91.29**	**126.11**	**217.40**
(Charged)/Credited	12.99	29.68	42.67
As at 31st March, 2020	**104.28**	**155.79**	**260.07**

Notes to the Standalone Financial Statements
(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

Note No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
23	**Current Borrowings**		
23.1	**Secured**		
	Working Capital Loans from Banks		
	- RBL Bank Ltd	**2,095.96**	1,276.62
	Total	**2,095.96**	**1,276.62**

23.1.1 Security Terms

(a) Working capital facility sanctioned by RBL Bank Limited is secured by first charge on pari-passu basis of all current assets both present and future. These facilities are further secured by way of second charge on pari-passu basis of all movable and immovable fixed assets of the company both present and future and also guaranteed by Sri TVVSN Murthy, Managing Director of the Company and Sri T.V.Praveen, Senior Vise President of the Company and relative of the Managing Director, in their personal capacities.

(b) The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in Note: 41.

23.1.2 Rate of Interest: The above loan carries an interest rate of 9.75% p.a

23.1.3 Repayment Terms: The above working capital facilities are repayable on demand.

23.2 Debt Reconciliation as required by IND AS -7, Statement of Cash Flows

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening Balance	**1,276.62**	599.31
Add: Received during the year	**944.77**	677.31
Less: Paid during the year	**(125.43)**	-
Current Borrowings as per Balance Sheet	**2,095.96**	**1,276.62**

Note No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
24	**Trade Payables**		
	(a) Creditor for Supply of Materials		
	(i) Due to Micro, Small and Medium Enterprises	**20.68**	15.00
	(ii) Other than MSME	**4,010.13**	7,903.83
	(b) Creditors for Expenses	**502.49**	463.86
	Total	**4,533.30**	**8,382.69**

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

Note No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
25	**Other Financial Liabilities**		
	Current		
	Current Maturities of Long-Term Debt (Refer Note: 20.3)	**452.58**	712.27
	Capital Creditors	**116.54**	136.63
	Interest Accrued but not due	**19.90**	19.44
	Interest on Unsecured Loan	**0.35**	10.44
	Balance of Unclaimed Dividend	**0.43**	-
	Total	**589.80**	**878.78**
26	**Other Current Liabilities**		
	Statutory Liability	**82.56**	78.83
	Advance Received from Customers	**533.11**	107.91
	Employee Benefits Payable	**16.14**	29.52
	Total	**631.81**	**216.26**
27	**Current Tax Liabilities (Net)**	**42.70**	-
27.1	Current Tax (Assets)/Liabilities. (Refer Note: 17.1)		

Note No.	Particulars	Current Year 2019-20	Previous Year 2018-19
28	**Revenue from Operations**		
	(a) Sale of Products	**27,845.11**	37,096.99
	Less: Goods and Service Tax	**2,568.20**	3,152.12
	Net Revenue from Sales	**25,276.91**	**33,944.87**
	(b) Income from Services		
	(i) Conversion Charges	-	8.30
	Less: Goods and Service Tax	-	1.26
	Net Revenue from Services	-	**7.04**
	(c) Other Operating Income		
	Export Incentives	**415.51**	463.25
	Total Net Revenue from Operations (a+b+c)	**25,692.42**	**34,415.16**

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

Note No.	Particulars	Current Year 2019-20	Previous Year 2018-19
29	**Other Income**		
	(a) Interest Income	**23.70**	23.57
	(b) Profit on Sale of Assets	**8.23**	-
	(c) Net Gain on Foreign Exchange	**126.85**	196.49
	(d) Miscellaneous Income (Net of GST)	**29.54**	32.81
	Total	**188.31**	**252.87**
30	**Cost of Materials Consumed**		
	Raw Materials & Packing Materials		
	Stock at the Beginning of the Year	**3,181.87**	1,537.85
	Add: Purchases	**14,901.35**	25,491.17
	Less: Stock at the End of the Year	**(2,508.06)**	(3,181.86)
	Total Materials Consumed	**15,575.16**	**23,847.16**
31	**Changes in Inventory**		
	(a) Opening Stock of Inventory:		
	Finished Goods	**2,040.91**	937.03
	Stock in Process	**2,154.32**	2,439.62
	Sub Total (a)	**4,195.23**	**3,376.65**
	(b) Closing Stock of Inventory		
	Finished Goods	**1,347.62**	2,040.91
	Stock in Process	**2,218.33**	2,154.32
	Sub Total (b)	**3,565.95**	**4,195.22**
	(Increase)/Decrease in Stocks (a) - (b)	**629.28**	**(818.57)**
32	**Manufacturing Expenditure**		
	Power and Fuel	**1,731.90**	2,243.32
	Consumable Stores	**156.78**	117.39
	Testing Charges	**34.20**	21.90
	Water Charges	**141.43**	167.77
	Conversion Charges	**1,085.45**	1,487.37
	Effluent Treatment Charges	**218.35**	304.41
	Repairs and Maintenance		
	to Plant & Machinery	**274.05**	349.77
	to Buildings	**57.63**	27.54
	Factory Maintenance	**56.13**	57.92
	Total	**3,755.92**	**4,777.39**

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

Note No.	Particulars	Current Year 2019-20	Previous Year 2018-19
33	**Employee Benefit Expenses**		
	Salaries, Wages and Bonus	**2,040.08**	1,819.78
	Contribution to Provident Fund	**130.44**	112.36
	Contribution to ESI	**12.67**	17.00
	Staff Welfare Expenses	**143.83**	114.00
	Total	**2,327.02**	**2,063.14**
34	**Finance Cost**		
	Interest on Non Current Borrowings	**309.62**	232.48
	Interest on Current Borrowings	**129.27**	172.05
	Interest on Lease Liability	**13.22**	-
	Interest on Others	**1.13**	21.86
	Bank Charges	**55.64**	119.83
	Total	**508.88**	**546.22**
35	**Depreciation and Amortisation Expense**		
	Depreciation on Property, Plant and Equipment	**673.74**	**575.34**
	Depreciation on Investment Property	**-**	**1.03**
	Amortisation of Right to use of Assets	**47.43**	**-**
	Amortisation of Intangible Assets	**3.22**	**0.61**
	Total	**724.39**	**576.98**
36	**Other Expenses**		
	Rent	**2.31**	27.89
	Rates and Taxes	**51.24**	50.69
	Repairs & Maintenance to Other Assets	**8.71**	6.45
	Insurance	**84.06**	46.74
	Directors Remuneration	**241.25**	272.02
	Travelling and Conveyance	**21.42**	13.26
	Communication Expenses	**10.34**	8.25
	Printing and Stationery	**24.90**	33.94
	Payments to Auditors (Refer Note:36.1)	**8.00**	8.00
	Cost Audit Fee	**0.50**	0.50
	Vehicle Maintenance	**35.04**	25.74
	Interest on Indirect Taxes	**1.26**	-
	Loss on Sale of Assets	**-**	8.74
	General Expenses	**100.88**	77.10
	Business Promotion Expenses	**12.16**	20.14
	Sales Commission	**165.97**	311.09
	Carriage Outward	**241.88**	331.89
	Provision for Doubtful Debts	**7.56**	40.14
	Corporate Social Responsbility (Refer Note:36.2)	**8.83**	17.32
	Total	**1,026.31**	**1,299.90**

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

Note No.	Particulars	Current Year 2019-20	Previous Year 2018-19
36.1	**Details of payment to Auditors**		
	Statutory Audit fee	**6.00**	6.00
	Tax Audit fee	**2.00**	2.00
	Total	**8.00**	**8.00**
36.2	**Corporate Social Responsibility Expenditure**		
	Amount required to be spent as per section 135 of the Companies Act, 2013	**32.26**	16.36
	Amount spent during the year on		
	(i) Construction/Acquisition of an Asset	**-**	14.82
	(ii) For other than (i) above	**8.83**	2.50
	Total	**41.09**	33.69
	Amount unspent during the year	**23.43**	**-**
36.2.1	The Company has initiated for laying a road in Kazipally village in the vicinity area of its unit-I with an estimate of Rs. 20.00 Lakhs.		
37	Income Tax Expense		
	Current Tax		
	Current Tax on Profits for the Year	**325.00**	630.00
	Adjustments for Current Tax of Prior Years	**4.61**	(0.57)
	Total Current Tax	**329.61**	**629.43**
	Deferred Tax		
	Increase/(Decrease) in Deferred Tax Liabilities	**118.81**	109.48
	Decrease/(increase) in Deferred Tax Assets	**(42.67)**	(28.98)
	Actuarial (Gain)/Loss	**13.29**	2.58
	Total Deferred Tax Expense/(Benefit)	**89.43**	**83.08**
	Total Tax Expenses	**419.04**	**712.51**
37.1	**Reconciliation of Tax Expense with Tax on Accounting Profits at normal rate is as follows:**		
	(a) Profit before Income Tax Expenses	**1,333.77**	2,375.83
	(b) Enacted Tax Rate in India	**29.12%**	29.12%
	(c) **Expected Tax Expenses (a)x(b)**	**388.39**	**691.84**
	(d) Tax Effect on Permanent Difference:		
	Expenses not allowed under Income Tax Act	**7.59**	20.59
	Expenses allowed under Income Tax Act		
	Adjustment of Current Tax of Prior Periods	**4.61**	(0.57)
	Others	**18.45**	0.65
	Total Adjustments	**30.65**	20.66
	Curent Tax Expenses as per Profit & Loss	**419.04**	**712.51**
	Effective Tax Rate	**31.42%**	29.99%

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

Note No.	Particulars	Current Year 2019-20	Previous Year 2018-19
38	**Other Comprehensive Income**		
	Actuarial Gain/(Loss) on Post Employment Benefit Expenses	**45.15**	9.33
	Return on Plan Assets, excluding net interest	**0.48**	(0.47)
		45.63	**8.86**
	Deferred Taxes on above	**(13.28)**	(2.58)
	Net Comprehensive Income	**32.35**	**6.28**
39	**Earning Per Share (Basic and Diluted)**		
	(a) Net profit for Basic & Diluted EPS	**914.73**	1,663.33
	(b) Weighted average number of equity shares of Rs.10/- each	**3,023,287**	3,023,287
	(c) Earnings Per Share Basic /Diluted	**30.26**	55.02

40 Post Employment Benefits

40.1 Defined Contribution Plans

40.1.1 Employer's Contribution to Provident Fund:

Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards PF Contribution is Rs.130.44 Lakhs (31st March, 2019-20 Rs. 112.36 Lakhs).

40.1.2 Employer's Contribution to State Insurance Scheme:

Contributions are made to State Insurance Scheme in India for employees at the rate of 2.25%. The Contributions are made to Employee State Insurance Corporation(ESI) to the respective State Governments of the Company's location. This Corporation is administered by the Government and the obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards ESI Contribution is Rs.12.67 Lakhs (31st March, 2019 - Rs. 17.00 Lakhs).

40.2 Defined Benefit Plans

The Company has a defined benefit gratuity plan governed by Payment of Gratuity Act, 1972. Every Employee who has completed five years or more of service is entilted to a gratuity on departure at 15 days salary for each completed year of Service. The Scheme is funded through a policy with Life Insurance Corporation of India (LIC).

The Company has a defined benefit Compensated Absence Plan governed by The Factories Act, 1948. Every Employee who has worked for a period of 240 days or more during a calendar year shall be allowed during the subsequent calendar year, leave with wages for a number of days calculated as per Act.

The following table summarise net benefit expenses recognised in the statement of profit and loss, the status of funding and the amount recognised in the Balance Sheet for both the plans:

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

Particulars	31st March, 2020		31st March, 2019	
	Gratuity (funded)	Leave Encashment (unfunded)	Gratuity (funded)	Leave Encashment (unfunded)
40.2.1 Net Employee Benefit Expense				
(recognised in Employee Benefit Expenses)				
Current Service Cost	**21.70**	**9.59**	17.32	7.37
Interest Cost	**16.74**	**3.39**	15.13	4.02
Contribution Paid	**(33.03)**	**(2.81)**	(22.18)	(1.45)
Adjustment to Opening Balance	**-**	**-**	1.64	-
Acturial Gain/(Loss) other than OCI	**-**	**(3.22)**	-	(6.29)
Net Employee Benefit Expenses	**5.41**	**6.95**	**11.91**	**3.65**
40.2.2 Other Comprehensive Income				
Actuarial Gain/(Loss)	**45.15**		9.33	-
Actual return on plan asset	**0.48**	**-**	(0.47)	-
Total Actuarial (Gain)/Loss recognized in (OCI)	**45.63**	**-**	8.86	-
40.2.3 Amount recognised in the Balance Sheet				
Defined Benefit Obligation	**324.28**	**63.70**	256.37	56.75
Fair Value of Plan Assets	**(46.00)**	**-**	(29.13)	-
	278.28	**63.70**	**227.24**	**56.75**
40.2.4 Change in the Present Value of the Defined Benefit Obligation				
Opening Defined Benefit Obligation	**256.37**	**56.75**	219.57	53.09
Adjustment to Opening Balance	**-**	**-**	-	-
Current Service Cost	**21.70**	**9.59**	17.32	7.37
Interest Cost	**18.29**	**3.39**	16.62	4.02
Past Service Cost	**-**	**-**	-	-
Contribution Paid	**(17.23)**	**-**	(6.47)	-
Benefits Paid	**-**	**(2.81)**	-	(1.45)
Net Acturial (gain)/ losses on Obligation for the year recognised under OCI	**45.15**	**(3.22)**	9.33	(6.29)
Closing Defined Benefit Obligation	**324.28**	**63.70**	**256.37**	**56.75**

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

Particulars	31st March, 2020		31st March, 2019	
	Gratuity (funded)	Leave Encashment (unfunded)	Gratuity (funded)	Leave Encashment (unfunded)
40.2.5 Change in the Fair Value of Plan Assets				
Opening Fair Value of Plan Assets	**29.13**	-	13.10	-
Adjustment to Opening Fair Value of Plan Asset	-	-	(1.64)	-
Return on Plan Assets Excluding Intererst Income	**(0.48)**	-	0.47	-
Interest Income	**1.55**	-	1.48	-
Contributions	**33.03**	-	22.18	-
Benefits Paid	**(17.23)**	-	(6.47)	-
Closing Fair Value of Plan Assets	**46.00**	-	**29.12**	-
40.2.6 Acturial (Gain)/Loss on Obligation				
Due to Demographic Assumption	-	-	-	-
Due to Financial Assumption	**21.61**	**3.34**	0.39	0.07
Due to Experience	**23.54**	**(6.66)**	8.94	(6.36)
Return on Plan Assets excluding Interest		-		-
Total Acturial (Gain)/Loss	**45.15**	**(3.32)**	**9.33**	**(6.29)**

40.2.7 The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	31st March, 2020	31st March, 2019
State Govt Security	**22.87**	14.48
Central Govt Security	**8.64**	5.47
NCD/Bonds	**10.42**	6.60
Others	**4.07**	2.58
Total	**46.00**	**29.13**

Expected Return on Assets is based on rate of return declared by fund managers.

40.2.8 Acturial Assumptions for estimating Company's Defined Benefit Obligation:

Particulars	31st March 2020	31st March 2019
Discount rate	**6.76%**	7.66%
Attrition Rate	**PS : 0 to 40 : 2%**	PS : 0 to 40 : 2%
Expected rate of increase in Salary	**3.00%**	3.00%
Mortality Table	**IALM (2012-14) Ult.**	IALM (2006-08) Ult.
Expected average remaining Service (Yrs)	**17.89**	17.82

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

(a) Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

(b) Plan assets does not comprise any of the Company's own financial instruments or any assets used by the Company. The Company has the plan covered under a policy with the Life Insurance Corporation of India.

(c) The Significant acturial assumptions for the determination of the defined benefit obligation are the discount rate, the salary growth rate and the average life expectancy. The calculation of the net defined benefit liability is sensitive to these assumptions. However, the impact of these changes is not ascertained to be material by the management. .

40.2.9 Sensitivity analysis

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

Particulars	31st March 2020	31st March 2019
Defined Benefit Obligation	**278.28**	227.24
Effect of 1% change in assumed discount rate on defined benefit obligation		
Increase : +1%	**300.43**	238.05
Decrease: -1%	**351.76**	277.38
Effect of 1% change in assumed salary escalation rate on defined benefit obligation		
Increase : +1%	**351.08**	276.99
Decrease: -1%	**300.66**	238.09

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant acturial assumptions, the same method (Projected Unit Credit Method) has been applied while calculating the defined benefit liability recognised within the Balance Sheet.

40.2.10 Other Information

(i) Expected rate of return basis

EROA is the discount rate as at previous valuation date as per the accounting standard

(ii) Description of Plan Assets and Reimbursement Conditions

100% of the Plan Asset is entrusted to LIC of India under their Group Gratuity Scheme. The reimbursement is subject to LIC's Surrender Policy

(iii) Discount Rate

The discount rate has increased from 7.68% to 7.66% and hence there is a decrease in liability leading to acturial gain due to change in discount rate.

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

(iv) Present Value of Defined Benefit Obligation:

Present value of the deined benefit obligation is calculated by using Projected Unit Credit Method (PUC Method). Under the PUC Method, a "projected accrued benefit" is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the Plan. "The Projected accrued benefit" is based on the Plan's accrual formula and upon service as of the beginning or end of the year, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The Plan Liability is the acturial present value of the "Projected accrued benefits" as of the begining of the year for active members.

(v) Expected Average remaining service vs. Average remaining future service:

The average remaining service can be arithmatically arrived by deducting current age from normal retirement age whereas the expected average remaining service is arrived acturially by applying multiple decrements to the average remaining future service namely mortality and withdrawals. Thus, the expected average remaining service is always less than the average remaining future service.

(vi) Current and Non Current Liability:

The total of current and non-current liability must be equal with the total of PVO (Present value obligation) at the end of the period plus short term compensated liability if any. It has been classified in terms of " Schedule III" of the Companies Act, 2013.

(vii) Defined Benefit Liability and Employer Contributions

The Company has purchased insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company. The company considers that the contribution rate set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs will not increase significantly.

The Weighted Average duration of the defined benefit obligation is 8.92 years(31st March, 2019 8.90 years). The expected cash flows over the subsequent years is as follows:

Expected Payout Gratuity	31st March, 2020	31st March, 2019
1st Year	**55.99**	35.11
2nd Year	**11.05**	26.68
3rd Year	**10.89**	9.63
4th Year	**27.33**	9.51
5th Year	**41.26**	25.59
beyond 5th Year	**113.46**	102.78

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

40.2.11 Risk Exposure

Though it is defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

(a) Investment / Interest Risk:

The Company is exposed to Investment / Interest risk if the return on the invested fund falls below the discount rate used to arrive at present value of the benefit.

(b) Longevity Risk:

The Company is not exposed to risk of the employees living longer as the benefit under the scheme ceases on the employee separating from the employer for any reason.

(c) Risk of Salary Increase

The Company is exposed to higher liability if the future salaries rise more than assumption of salary escalation.

41 Assets pledged as Security

For Non Current Borrowings

Secured by First Charge on Property, Plant and Equipment, Investment Property and Second Charge on Current Assets.

For Current Borrowings

Secured by First Charge on Current Assets and Second Charge on Property, Plant and Equipment and Investment Property.

The carrying amounts of Company's assets pledged as security for Non Current and Current Borrowings of an amount of Rs.4,379.81 Lakhs (Previous year Rs.4,078.88 Lakhs) are as follows:

Particulars	31st March, 2020	31st March, 2019
Property, Plant and Equipment	9,344.45	8,708.49
Investment Property	-	91.31
Sub Total	**9,344.45**	**8,799.80**
Current Assets	10,120.69	12,953.53
Total Assets Pledged as Security	**19,465.14**	**21,753.33**

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

Financial Instruments and Risk Management

42 Categories of Financial Instrument

Particulars	Notes	Level	As at 31st March, 2020		As at 31st March, 2019	
			Carrying Value	Fair Value	Carrying Value	Fair Value
A. Financial Assets						
a. Measured at amortised cost						
(i) Non Current						
(a) Investment in Equity Instruments	8	3	2,581.40	2,581.40	2,581.40	2,581.40
(b) Bank Balances	9	3	-	-	104.88	104.88
(c) Other Financial Assets	10	3	217.48	217.48	216.46	216.46
Sub - Total			**2,798.88**	**2,798.88**	**2,902.74**	**2,902.74**
(ii) Current						
(a) Trade Receivables	13	refer note 42.2	2,202.24	2,202.24	3,657.65	3,657.65
(b) Cash and Cash Equivalents	14		65.44	65.44	203.07	203.07
(c) Other Bank Balances	15		164.60	164.60	43.63	43.63
(d) Other Financial Assets						
Sub - Total			**2,432.28**	**2,432.28**	**3,904.35**	**3,904.35**
Total Financial Assets			**5,231.16**	**5,231.16**	**6,807.09**	**6,807.09**
B. Financial Liabilities						
a. Measured at amortised cost						
(i) Non Current						
(a) Borrowings	20	3	2,366.54	2,366.54	2,720.46	2,720.46
(ii) Current						
(a) Borrowings	23	refer note 42.2	2,095.96	2,095.96	1,276.62	1,276.62
(b) Trade Payables	24		4,533.30	4,533.30	8,382.70	8,382.70
(c) Other Financial Liabilities	25		589.80	589.80	878.78	878.78
Sub - Total			**7,219.06**	**7,219.06**	**10,538.10**	**10,538.10**
Total Financial Liabilities			**9,585.60**	**9,585.60**	**13,258.56**	**13,258.56**

42.1 The Company's Principal Financial liabilities comprise Loans and Borrowings, Trade Payables and other Liabilities. The main purpose of these financial Liabilities is to Finance the Company's Operations. The Company's Principal Financial Assets include Loans, Trade and Other Receivables, Cash and Cash Equivalents, Bank balances that derive directly form its Operations.

42.2 The Carrying Amounts of Trade Payables, Other Financial Liabilities, Cash and Cash equivalents, Other Bank Balances, Trade Receivables and Other Financial Assets are considered to be the same as their fair values due to their short term nature.

42.3 The management has assessed that fair value of borrowings approximate to their carrying amounts largely since they are carried at floating rate of interest.

42.4 Other Non Current Financial Assets consits of certain non current portion relating to deposits with Government authorities where the fair value is considered to be the carrying value.

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

43 Fair Value Measurements

43.1 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 market for identical assets or liabilities.

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 observables market data rely as little as possible on entry 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.

Valuation techniques used to determine fair value:

Specific Valuation techniques used to value financial instruments include:

- The use of quoted market price or dealer quotes for similar instruments.
- The fair value of remaining financial instruments is determined using discounted cash flow analysis.

Valuation Process:

The Finance and accounts department of the Company performs the valuation of financial assets and liabilities required for financial reporting purposes, and report to the Board of Directors. The main Level 3 inputs are derived using the discounted cash flow analysis, Market Approach, Net Assets Value Method as applicable.

44 Financial Risk Management Objectives and Policies

Financial Risk Management Framework

The Company is exposed primarily to credit risk, liquidity risk and market risk (fluctuations in foreign currency exchange rates and interest rate), which may adversley impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

44.1 Credit Risk:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditwrothiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in Material Concentration of credit risk, except for Trade Receivables.

(i) Financial Instruments and Cash Deposits

For banks and financial institutions, only high rated banks/institutions are accepted. Other Financial assets (excluding Bank deposits) majorily constitute deposits given to State electricity departments for supply of power, which the company considers to have negligible credit exposure. Counterparty credit limits are reviewed by the Management on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(ii) Expected Credit Loss for Trade Receivables under simplified approach

For trade receivables, the group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

Following are the Expected Credit Loss for Trade Receivables under simplified approach:

Particulars	31st March, 2020	31st March, 2019
Gross Carrying Amount	2,298.20	3,746.05
Expected Credit Losses (Loss allowance Provision)	95.96	88.40
Net Carrying Amount of Trade Receivables	**2,202.24**	**3,657.65**

Expected Credit Loss for Trade Receivables under simplified approach:

Particulars	Outstanding			Total
	for < 90 days	> 90 days & < 180 days	for > 180 days	
a. Otherthan Product Specific				
Gross Carrying Amount of Trade Receivables	1,451.01	344.14	43.30	1,838.45
Expected Loss Rate	2.09%	2.09%	2.09%	2.09%
Expected Credit Losses (Loss Allowance Provision)	30.38	7.21	0.91	38.49
Net Carrying Amount of Trade Receivables (Otherthan Product Specific)	**1,420.62**	**336.93**	**42.40**	**1,799.95**
b. Product Specific				
Ranitidine Export Debtors	95.56	-	364.19	459.75
Expected Loss Rate	12.50%	12.50%	12.50%	12.50%
Expected Credit Losses (Loss Allowance Provision)	11.95	-	45.52	57.47
Net Carrying Amount of Trade Receivables (Product Specific)	83.62	-	318.67	402.29
Total Expected Credit Losses (Loss Allowance Provision)	42.33	7.21	46.43	95.96
Net Carrying Amount of Trade Receivables	**1,504.24**	**336.93**	**361.07**	**2,202.24**

44.2 Liquidity Risk:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

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

Particulars	Upto 1 Year	1 to 3 Years	3 to 5 Years	> 5 Years	Total
31st March, 2020					
Non Current Borrowings (including Current Maturities)	452.59	792.25	873.93	700.35	2,819.13
Current Borrowings	2,095.96				2,095.96
Trade Payables	4,533.30				4,533.30
Other Financial Liabilities	136.78				136.78
Total	**7,218.63**	**792.25**	**873.93**	**700.35**	**9,585.17**
31st March, 2019					
Non Current Borrowings (including Current Maturities)	712.27	835.18	873.93	1,011.35	3,432.73
Current Borrowings	1,276.62				1,276.62
Trade Payables	8,382.70				8,382.70
Other Financial Liabilities	166.51				166.51
Total	**10,538.10**	**835.18**	**873.93**	**1,011.35**	**13,258.56**

44.3 Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial isntrument will fluctuate because of changes in market prices. Market prices comprise three types of risk, currency rate risk, interest rate risk and other price risks such as equity risk. Financial instruments affected by market risk include loans and advances deposits investments in debt securities mutual funds and other equity funds.

(i) Interest Rate Risk

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 ineterest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest risk management by balancing the proportion of fixed rate and floating rate financial instruments in its portfolio.

Particulars	Change in basis points		Effect on Profit before Tax	
	Increase	Decrease	Decrease	Increase
31st March, 2020	0.50%	0.50%	(24.27)	24.27
31st March, 2019	0.50%	0.50%	(22.77)	22.77

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

(ii) Foreign Currency Exchange Rate Risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

The Company has transactional currency exposures arising from services provided or availed that are denominated in a currency other than the functional currency. The foreign currencies in which these transactions are denominated are mainly in US Dollars ($). The Company's trade receivable and trade payable balances at the end of the reporting period have similar exposures..

(a) Details of Unhedged Foreign Currency Exposure:

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:

Particulars	Currency	Amount in Foreign Currency	Amount in Rs.	Conversion Rate
31st March, 2020				
Trade Receivables	USD	**11.06**	**819.36**	**74.05**
Trade Receivables	EURO	**0.40**	**32.08**	**80.20**
Trade Payables	USD	**13.83**	**1,047.62**	**75.75**
31st March, 2019				
Trade Receivables	USD	**21.90**	**1,496.72**	**68.35**
Trade Payables	USD	**38.27**	**2,678.95**	**70.00**

(b) Foreign Currency Sensitivity

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

Particulars	Effect on Profit before Tax	
	31st March, 2020	31st March, 2019
USD Sensitivity		
Rs/USD - Increases by 1%	**(2.60)**	**(10.53)**
Rs/USD - Decreases by 1%	**2.60**	**10.53**

(iii) Other Price Risk:

Other price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

45 Capital Management

For the purposes of the Company's Capital Management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Company intends to keep the gearing ratio less than 1. The Company includes within net debt, borrowings including interest accrued on borrowings less cash and short term deposits.

Particulars	31st March, 2020	31st March, 2019
Borrowings including Interest Accrued	**4,935.34**	4,739.22
Less: Cash and Short Term Deposits	**65.44**	203.07
Net Debt	**4,869.90**	**4,536.15**
Equity	**302.33**	302.33
Other Equity	**11,023.24**	10,195.53
Total Equity	**11,325.57**	**10,497.86**
Total Capital Employed	**16,195.47**	**15,034.01**
Gearing Ratio (Net Debt/((Net Debt +Total Equity))	**0.30**	**0.30**

46 Related Party Transactions

(a) Key Management Personnel(KMP)

Name	Relationship
Sri TVVSN Murthy	Managing Director
Sri N Rajendra Prasad	Chief Financial Officer
Mr. P Pavan	Company Secretary (Up to 22.01.2020)
Mr. Trupti R Mohanty	Company Secretary (From 14.02.2020)

(b) Relatives of KMP

Sri. T V Praveen

Smt .G.Sudeepthi

(c) List of Related Parties over which Control / Significant Influence exists with whom the Company has transactions :

Relationship	Name of the Company
Wholly Owned Subsidiary Company	1. Mahi Drugs Pvt Ltd
Enterprises overwhich KMP are able to Exercise Significant Influence	1. SMS Pharmaceutials Limited 2. Rchem(Somanahalli) Private Limited 3. VKT Pharma Private Limited

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

(d) Transactions with Related Parties:

Name of the Company	31st March 2020	31st March 2019
	Amount	Amount
Key Management Personnel		
Remuneration (Short Term Employee Benefits)	**263.23**	294.30
Interest on Unsecured Loan	**47.03**	47.03
Relatives of KMP		
Remuneration - (Short Term Employee Benefits)	**77.70**	67.18
Subsidary Company		
Purchases	**1,589.26**	420.66
Sales	**621.85**	447.26
Enterprise with Significant Influence		
Purchases	**95.42**	71.90
Sales	**1,660.73**	2,489.54
Conversion Charges	**816.62**	1,217.58
Rent Paid	**-**	21.85
Balance (Payable)/Receivable at the year end		
Key Management Personnel		
Remuneration Payable	**26.21**	41.75
Interest payable	**0.35**	10.44
Unsecured Loan Payable	**495.00**	495.00
Relatives of KMP		
Remuneration Payable	**4.27**	3.77
Subsidary Company	**394.41**	160.00
Enterprise with Significant Influence	**598.81**	1,323.48

(e) Note:

i. The above transactions are in the ordinary course of business and are at arm's length price.

ii. As the future liability for gratuity and leave encashment is provided on an acturial basis for the Company as a whole, the amount pertaining to the Key Management Personnel and their relatives is not ascertainable and, therefore, not included above. Contribution to Provident Fund was also not included.

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

47 Contingent Liabilities

Particulars	As at 31st March, 2020	As at 31st March, 2019
Guarantees issued by the Bankers	**32.00**	32.00
Letter of credit opened in favor of suppliers for which goods are yet to be received	**234.04**	93.35
Disputed Income Tax Demands	**22.62**	22.62
Interest dues in respect of disputed demands of Income Tax and Central Excise	**204.74**	195.73
Interest dues in respect of disputed demands of Central Excise (Refer Note 42)	**16.40**	16.40
Non Agricultural land Tax	**22.50**	22.50
Claims not acknowledged as debt	**10.40**	10.40
Penal Interest on Provident Fund	**7.52**	7.52
Corporate Gurantee given to Subsidary	**1,449.84**	-

Note: Provident Fund

Pursuant to Supreme Court Judgement dated 28 February 2019, regarding the provident fund contribution wherein there has been a clarification provided of the inclusions of basic wages for the purpose of computation of contribution towards provident fund, the Company has been legally advised that there are interpretative challenges on the application of the judgement retrospectively. Based on the legal advice and in the absence of reliable measurement of the provision for earlier periods, the Company has assessed the impact of the judgement only from the year ended March 31, 2019 and concluded that there was no impact. Further, no contingent liability has been recognised based on retrospective application as amount cannot be reliably measured.

48 Commitments

	Particulars	As at 31st March, 2020	As at 31st March, 2019
48.1	Capital Commitments	**114.62**	208.41
48.2	Export Obligations	**6,200.83**	4,816.70

49 Segment Information

(a) Basis for segmentation

The operations of the Company are limited to one segment viz. Pharmaceutical products including ingredients and intermediaries.. The products being sold under this segment are of similar nature and comprises of pharmaceutical products only. The Company's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on aggregation of financial information of the Company on a periodic basis, for the purpose of allocation of resources and evaluation of performance. Accordingly, management has identified pharmaceutical segment as the only operating segment for the Company.

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

(b) Segment information for secondary segment reporting (by geographical segment)

The Company is engaged in the manufacture of Pharmaceuticals, which in the context of Ind AS 108 is considered only business segment.

The Company has reportable geographical segments based on location of its customers:

(i) Revenue from customers within India – Domestic

(ii) Revenue from customers outside India – Exports

(iii) Revenue from customers EOU – Deemed Exports

(iv) Revenue from customers EOU – Export Incentives

a) Revenues are attributed to geographical areas based on the location of the customers as detailed below:

Particulars	Current Year 2019-20		Previous Year 2018-19	
	Revenue	%	Revenue	%
Exports	**8,933.00**	**34.76%**	16,667.68	48.43%
Deemed Exports	**5,327.52**	**20.74%**	5,985.62	17.39%
Domestic	**11,016.39**	**42.88%**	11,298.61	32.83%
Export Incentive	**415.51**	**1.62%**	463.25	1.35%
Total	**25,692.42**	**100.00%**	**34,415.16**	**100.00%**

50 Payables to Micro, Small & Medium Enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	**20.68**	**15.00**
(ii) Interest on payments beyond the appointed day paid to the suppliers during the year.	-	-
(iii) Interest due and payable for the delay in making payment to suppliers during the year;	**0.69**	**2.69**
(iv) Amount of interest accrued and remaining unpaid to suppliers at the end of the year	-	-
(v) Amount of further interest remaining due and payable to suppliers in succeeding years	-	-

The above information regarding Micro Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

Notes to the Standalone Financial Statements

(All amounts: Indian Rupees in Lakhs, unless otherwise stated)

51 Impact of Covid-19 Pandemic

The Company considered the uncertainty relating to the COVID-19 pandemic in assessing the recoverability of its inventories, receivables and investments. As the company is into essential manufacturing service which is exempt from lockdown restrictions, there has been minimal impact in its operations and its supply chain. In this regard, the Company has considered internal and external information while finalizing various estimates in relation to its financial statements up to the date of approval by the Board of Directors and has not identified any material impact on the carrying value of assets, liabilities or provisions. As the outbreak continues to evolve, the Company will continue to closely monitor any material changes to future economic conditions.

52 Previous year figure have been regrouped and reclassified wherever considered necessary to confirm to this year's classifications.

As per our report of even date
for RAMBABU & CO
Chartered Accountants
FRN 002976S

G.V.L. PRASAD
Partner
M.No.026548

Place : Hyderabad
Date : 27th July, 2020

For and on behalf of the Board
SMS Lifesciences India Limited

TVVSN MURTHY
Managing Director
DIN: 00465198

RAMESH BABU POTLURI
Director
DIN: 00166381

TRUPTI R MOHANTY
Company Secretary
M.No. 60358

N. RAJENDRA PRASAD
Chief Financial Officer
M.No.026567