

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

CORPORATE INFORMATION

Shilpa Medicare Limited (SML) is a listed Company engaged in the manufacturing of API, Formulation and Development service. Shilpa Medicare Limited (SML) started its operations as API manufacturer way back in 1987 at Raichur, Karnataka- India. The Company started its commercial production in November 1989. In November 1993, Shilpa Medicare Limited was converted into a Public Limited Company. The Company was listed on Bombay Stock Exchange on June 19, 1995 and National Stock Exchange (NSE) on December 03, 2009. Subsequently Shilpa Medicare has gained World Health Organization-Good Manufacturing Practices (GMP) Certificate recognition.

SML is presently dealing in high-quality Active Pharmaceutical Ingredients (APIs), Intermediates, Formulations, New Drug Delivery Systems, Peptides / Biotech products and Specialty Chemicals etc. using sophisticated technology meticulously in order to comply with laid down international standards/specifications. Today SML is among the world's leading suppliers of Oncology/Non-Oncology APIs and intermediates.

1. Basis of Preparation of Financial Statements

I. Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as specified under section 133 of the Companies Act 2013 read together with the Rule 4 of Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Amendment Rules 2016 to the extent applicable and the other relevant provisions of the Act, pronouncements of the regulatory bodies applicable to the Company. The accounting policies are applied consistently to all the periods presented in the financial statements.

The Standalone financial statements of the Company for the year ended 31 March, 2020 were approved by the Board of Directors on Jun 15, 2020.

II. Basis of Measurement

The financial statements have been prepared on the historical cost convention and on accrual basis, except for the following assets and liabilities which have been measured at fair value wherever applicable

- Derivative financial instruments
- Certain financial assets / liability measured at fair value,
- Defined Benefit Plan's at fair value.

III. Functional and presentation currency

The financial statements are presented in Indian Rupees which is the functional currency for the Company. All amounts have been rounded-off to the nearest lakhs unless otherwise stated.

IV. Current v/s Non-current classification

The assets and liabilities in the balance sheet are presented based on current/non-current classification.

An asset is current when it satisfies the below mentioned criteria:

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

All other assets are classified as non-current.

A liability is current when it satisfies the below mentioned criteria:

- (i) Expected to be settled in normal operating cycle, or
- (ii) Held primarily for the purpose of trading, or

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- (iii) Due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are treated as non-current.

1.1 Significant Accounting Policies

Critical accounting Estimates and Judgments:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions to accounting estimates are recognised prospectively.

The areas involving critical estimates or judgments are:

- Measurement of defined benefit obligation (Note 1.1 (h))
- Estimation of Useful life of Property, plant and equipment and intangibles (Note 1.1(a))
- Recognition of deferred taxes (Note 1.1 (r))
- Estimation of impairment (Note 1.1 (d))
- Estimation of provision and contingent liabilities (Note 1.1 (s))
- Business Combination (Note-1.1(e))

a) Property, Plant and Equipment & Depreciation:

- i. Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

- ii. Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.
- iii. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- iv. Depreciation on Fixed Assets is provided on ascertain useful life of assets under Straight Line Method (SLM) prescribed in Schedule II of the Companies Act 2013, with exception of those assets whose useful life is ascertain by the management.
- v. The Company follows the policy of charging depreciation on pro-rate basis on the assets acquired or disposed off during the year.

b) Intangible Assets:

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably.

Intangible Assets are stated at cost less accumulated amortization. Cost includes only such expenditure that is directly attributable to making the asset ready for its intended use.

Intangible assets are amortized over their useful life.

Intangible Assets include capitalized expenditure on filing and registration of any Drug Master File (DMF) or Abbreviated New Drug Application (ANDA) and compliance with regulatory procedures of the USFDA, in filing such DMF or ANDA, which are in respect of products for which commercial value has been established by virtue of third party agreements/arrangements. The cost of each DMF/ANDA is amortized over its estimated useful life from the date on which the amount has been capitalized.

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c) Research and Development:

All expenditure on research activities are recognized in the Profit and Loss Statement when incurred. Expenditure on development activities are also recognized in the Profit and Loss Statement in the year such expenditure is incurred. However, development expenditure is capitalized only in cases where such costs can be measured reliably, the technological feasibility has been established in respect of the product or process for which costs are incurred, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset.

Payments to third parties that generally take the form of up-front payments and milestones for in-licensed product are capitalized. The Company's criteria for capitalization of such assets are consistent with the guidance given in paragraph 25 of Ind AS 38 (receipt of economic benefit out of the separately purchased transaction is considered to be probable).

Acquired research and development intangible assets that are under development are recognized as Intangible Assets under Development. These assets are not amortized, but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Where a determination of impairment in respect of any such asset is made, the impairment of such asset is recognized in the Profit and Loss Statement in the year in which such determination is made. Where a determination is made to the effect that future economic benefits are probable, the total cost is capitalized in the year in which such determination is made.

Amortization of capitalized development expenditure is recognized on a straight-line basis, over the useful life of the asset

d) Impairment of Assets:

The carrying values of assets / cash generating units at each balance sheet date are reviewed

for impairment if any indication of impairment exists. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable value being higher of value in use and fair value less cost of disposal. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Profit and Loss Account in the year in which an asset is identified as impaired.

e) Business Combination and Goodwill:

The Company uses the acquisition method of accounting to account for business combinations. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount of the identifiable assets acquired and liabilities assumed.

Any goodwill that arises on account of such business combination is tested annually for impairment.

f) Non-Current asset held for sale:

Assets are classified as held for sale and stated at the lower of carrying amount and fair value less costs to sell if the asset is available for immediate sale and its sale is highly probable. Such assets or group of assets are presented separately in the Balance Sheet as "Assets Held for Sale".

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g) Inventory:

Inventories are valued at the lower of cost and net realisable value. The cost is determined on FIFO basis. Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

h) Employee Benefits:

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined Contribution plans

Contribution towards Provident Fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution schemes as the Company does not carry any further obligations, apart from the Contributions made on a monthly basis.

Defined benefit plans

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation on projected unit credit method made at the end of each year. The Company funds the benefit through contributions to LIC.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income

(OCI). Net interest expense/(income) on the net defined (liability)/assets is computed by applying the discount rate, used to measure the net defined (liability)/asset. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss

i) Cash and Cash Equivalent:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk. Cash flow statement is prepared under the indirect method as per Ind AS 7, For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits net of book overdraft.

j) Dividends to Shareholders:

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

k) Leases:

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

- a) The contract involves use of an identified asset;
- b) The Company has substantially all the economic benefits from the use of the asset through the period of lease; and
- c) The Company has the right to direct the use of an asset.

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate explicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

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

Transition

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the prospective method with practical expedient., Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right-of-use assets at its carrying amount as if standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted.

l) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to

the Company and the revenue can be reliably measured.

i. Sale of products:

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, Amount disclosed as revenue are excluding goods and service tax (GST), sales tax or value added taxes or service taxes or duties collected on behalf of the government, and net off returns, trade discounts, rebates and any amount collected on behalf of third parties.

ii. Development Revenue:

Development revenue are recognized over the time period of the development activity and are recognized on the completion of each mile- stones as per term of the agreement.

iii. Recognition of Export benefits:

Export benefit entitlements in respect of incentive schemes including Merchandise Export Incentive Scheme (MEIS) and Focus Product Scheme (FPS) of the government of India are recognized in the period in which they are approved.

m) Other Income:

- i. Interest Income is recognized using the Effective interest rate (EIR) method.
- ii. Dividend income is recognized when right to receive is established.
- iii. The Company recognises government grants only when there is reasonable assurance that the conditions attached to

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them will be complied with and the grants is received. Government grants received in relation to assets are recognised as deferred income and amortized over the useful life of such asset. Grants related to income are recognised in the profit & loss account under other income.

n) Foreign Currency Transactions/ Translations:

Initial Recognition

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

Translations

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange Differences

The exchange difference arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognized in the Statement of Profit and Loss in the period in which they arise as income or as expense.

o) Government Grant:

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

Grants related to revenue items are presented as part of profit or loss under general heading such as other income.

Government grants relating to the purchase of property, plant and equipment are included in

non-current liabilities as 'Deferred Government Grant' and are credited to profit & loss account under other income on a straight-line basis over the expected lives of the related assets.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

p) Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred. Further, interest earned out of borrowed funds from temporary investments are reduced from the borrowing cost.

q) Financial Instrument:

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

l) Financial Asset:

Initial recognition and measurement

All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through P&L, transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date i.e. the date that the company commits to purchase or sell the asset.

Subsequent Measurement

For the purpose of subsequent measurement financial assets are classified as measured at:

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- Amortised cost
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVOCI).

(a) Financial Asset measured at amortized cost

Financial Assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the statement of Profit & Loss. The company while applying above criteria has classified the following at amortized cost:

- Trade receivables
- Loans
- Other financial assets

(b) Financial Assets measured at fair value through other comprehensive income (FVTOCI)

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

(c) Financial Assets at fair value through profit or loss (FVTPL)

Financial Assets are measured at Fair value through Profit & Loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of Profit & Loss.

Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value, the group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The classification is made on initial recognition and is irrevocable

Investments in subsidiaries, associates 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.

De-recognition of financial Assets:

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for Derecognition. On Derecognition of a financial asset in its entirety, the difference between the carrying amount (measured on the date of recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the statement of Profit & Loss.

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Impairment of financial Assets:

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model by adopting the simplified approach using a provision matrix reflecting current condition and forecasts of future economic conditions for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial Assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance
- Financial Assets that are debt instruments and are measured at FVTOCI.
- Lease receivables under Ind AS 17.
- Trade receivables or any contractual right to receive cash or another financial asset
- Loan commitments which are not measured at FVTPL
- Financial guarantee contracts which are not measured at FVTPL

II) Financial Liability:

Initial recognition and measurement

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Financial Liabilities at amortized cost:

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization

using the effective interest method of any difference between the initial amount and the maturity amount.

The company is classifying the following under amortized cost

- Borrowings from banks
- Borrowings from others
- Trade payables
- Other financial liabilities

Derecognition:

A financial liability shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

III. Derivative financial instrument and hedge accounting:

The Company uses derivative financial instruments, such as foreign exchange forward contracts, interest rate swaps and currency options to manage its exposure to interest rate and foreign exchange risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

r) Taxes on Income:

Tax expense comprises of current and deferred tax.

- I. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Tax Act.
- II. Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured based on the tax rates and the tax laws

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enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

- III. Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent it is reasonably certain that the Company will pay normal income tax during the specified period. Such asset is reviewed at each reporting date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

s) Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. If effect of the time value of money is material, provisions are discounted using an appropriate discount

rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost. Contingent Liabilities are not recognized but are disclosed in the notes.

t) Offsetting:

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

u) Earnings per share:

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period.

1.2 Recent Indian Accounting Standards (Ind AS):

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2020.

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2 PROPERTY, PLANT & EQUIPMENT

Particulars	Gross Block			Depreciation / Adjustment			Net Block		
	As at 01 April, 2019	Additions	Deduction/ Adjustment during the Year	As at 31 March, 2020	As at 01 April, 2019	For the Year	Deduction/ Adjustment during the Year	As at 31 March, 2020	As at 31 March, 2020
a) Borewell	25.39	0.40	-	19.90	16.23	0.96	-	17.19	2.71
b) Building	11,285.75	223.84	-	11,509.59	2,303.06	358.00	-	2,661.06	8,848.52
c) Canteen Equipment	17.76	-	-	17.76	9.68	2.81	-	12.49	5.27
d) Computer	791.14	38.77	(8.41)	745.80	605.32	65.54	(7.99)	(33.44)	629.43
e) Electrical Installation	3,785.18	680.33	(29.71)	4,374.62	1,951.77	282.21	(27.36)	(14.60)	2,192.02
f) ETP Building	565.85	-	-	565.85	170.02	17.73	-	187.75	378.10
g) ETP Machinery	508.65	21.93	-	530.58	135.75	23.05	-	158.80	371.78
h) EHS Equipment	46.26	4.35	-	50.61	11.96	4.61	-	16.57	34.04
i) Furniture	1,452.49	128.59	(16.67)	1,521.09	544.01	134.28	-	(10.68)	667.61
j) Land & Green Field	1,419.38	-	-	1,521.09	-	-	-	-	853.49
k) Lab Equipments	8,698.76	568.93	(111.95)	7,275.24	3,431.55	585.09	(54.84)	(275.85)	3,685.94
l) Network Server equipment	129.89	31.03	-	160.92	36.37	22.39	-	58.76	102.16
m) Office Equipment	169.48	9.46	-	154.14	80.23	22.37	-	(5.82)	96.77
n) P/M (Power Generation Unit)	3,843.04	-	-	3,843.04	2,003.93	103.97	-	2,107.90	1,735.14
o) Pipeline	3,639.75	436.53	-	4,076.28	1,036.46	162.07	-	1,198.53	2,877.75
p) Plant & Machinery	29,526.10	5,031.97	(95.04)	34,463.03	7,708.42	1,358.56	(30.61)	9,036.37	25,426.66
q) Pollution Control Equip.	37.07	-	-	37.07	30.16	0.39	-	30.55	6.52
r) Vehicle	263.44	-	(37.69)	225.75	98.55	26.57	(32.02)	93.10	132.65
s) Vehicles Electrical Operated	34.31	6.05	-	40.36	20.91	4.50	-	25.41	14.95
t) Weigh bridge	8.42	-	-	8.42	4.85	0.47	-	5.32	3.10
Total	66,248.11	7,182.18	(299.47)	70,713.01	20,199.19	3,175.56	(152.81)	(340.39)	47,831.47

4 INTANGIBLE ASSET

Particulars	Gross Block			Depreciation / Adjustment			Net Block	
	As at 01 April, 2019	Additions	Deduction/ Adjustment during the Year	As at 31 March, 2020	As at 01 April, 2019	For the Year	Deduction/ Adjustment during the Year	As at 31 March, 2020
a) Computer software	939.47	94.70	-	1,004.94	327.02	142.56	-	461.01
b) Technical Know How	-	236.78	-	236.78	-	11.51	-	11.51
c) DMF/ANDA/ Patents Fees	1,446.71	-	(4.39)	1,436.96	401.20	145.09	(0.93)	545.36
d) Non compete Agreement	1,045.00	-	-	1,045.00	321.40	-	-	321.40
Total	3,431.18	331.48	(4.39)	2,678.68	1,049.62	299.16	(0.93)	1,017.87

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2 PROPERTY, PLANT & EQUIPMENT

Particulars	Gross Block			Depreciation / Adjustment			Net Block	
	As at 01 April, 2018	Additions	Deduction/ Adjustment during the year	As at 01 April, 2018	For the year	Deduction/ Adjustment during the year	As at 31 March, 2019	As at 31 March, 2019
a) Borewell	19.50	5.89	-	14.86	1.37	-	16.23	9.16
b) Building	10,491.81	793.94	-	1,968.06	335.00	-	2,303.06	8,982.69
c) Canteen Equipment	17.07	0.69	-	6.88	2.80	-	9.68	8.08
d) Computer	693.67	100.43	(2.96)	504.66	103.47	(2.81)	605.32	185.82
e) Electrical Installation	3,556.58	249.96	(21.36)	1,618.28	353.23	(19.74)	1,951.77	1,833.41
f) ETP Building	565.85	-	-	152.29	17.73	-	170.02	395.83
g) ETP Machinery	506.04	2.61	-	112.90	22.85	-	135.75	372.90
h) EHS Equipment	40.67	5.59	-	7.93	4.03	-	11.96	34.30
i) Furniture	1,256.52	195.97	-	420.39	123.62	-	544.01	908.48
j) Land & Green Field	1,419.38	-	-	-	-	-	-	1,419.38
k) Lab Equipments	7,564.12	1,166.75	(32.11)	2,733.02	712.01	(13.48)	3,431.55	5,267.21
l) Network Server equipment	81.35	48.54	-	21.41	14.96	-	36.37	93.52
m) Office Equipment	131.08	39.10	(0.70)	55.40	25.49	(0.66)	80.23	89.25
n) P/M (Power Generation Unit)	3,843.04	-	-	1,899.96	103.97	-	2,003.93	1,839.11
o) Pipeline	3,390.43	300.14	(50.82)	878.84	188.63	(31.01)	1,036.46	2,603.29
p) Plant & Machinery	26,918.58	2,918.54	(311.02)	6,581.55	1,239.74	(112.87)	7,708.42	21,817.68
q) Pollution Control Equip.	37.07	-	-	29.74	0.42	-	30.16	6.91
r) Vehicle	378.05	-	(114.61)	145.83	38.24	(85.52)	98.55	164.89
s) Vehicles Electrical Operated	34.31	-	-	16.71	4.20	-	20.91	13.40
t) Weigh bridge	8.42	-	-	3.92	0.93	-	4.85	3.57
Total	60,953.54	5,828.15	(533.58)	17,172.60	3,292.69	(266.10)	20,199.19	46,048.92

4 INTANGIBLE ASSET

Particulars	Gross Block			Depreciation / Adjustment			Net Block	
	As at 01 April, 2018	Additions	Deduction/ Adjustment during the year	As at 01 April, 2018	For the year	Deduction/ Adjustment during the year	As at 31 March, 2019	As at 31 March, 2019
a) Computer software	815.99	123.48	-	188.37	138.65	-	327.02	612.45
b) DMF/ANDA/ Patents Fees	1,190.64	262.64	(6.57)	267.69	135.31	(1.80)	401.20	1,045.51
c) Non compete Agreement	1,045.00	-	-	160.70	160.70	-	321.40	723.60
Total	3,051.63	386.12	(6.57)	616.76	434.66	(1.80)	1,049.62	2,381.55

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

3 CAPITAL WORK-IN-PROGRESS

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Machinery under erection	2,386.34	167.53
b) Projects under erection	22,031.37	28,312.57
Total	24,417.71	28,480.10

5 INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Software under installation	103.07	-
b) Product under development	12,688.30	11,300.46
c) DMF /ANDA/Patents Fees	71.52	340.93
Total	12,862.89	11,641.39

6 FINANCIAL ASSETS

(i) Non-Current Investments

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Investments in Equity Instruments (Unquoted)		
I) In Subsidiary Companies		
i) 2,000 (2,000) shares of € 1.71 each in Zatortia Holdings Ltd, Cyprus.	2,028.91	2,028.91
ii) 1,837,634 (1,837,634) shares of ₹ 10/- each in Shilpa Therapeutic (P) Ltd, Hyderabad.	1,033.76	1,033.76
iii) 1,125,000 (1,125,000) shares of ₹ 10/- each in INM Technologies Pvt. Ltd., Bangalore.	112.50	112.50
iv) 100 (100) shares of GBP 1 each in Koanaa Healthcare Limited, UK.	0.10	0.10
v) Investment in shares of Koanaa Healathcare GmbH, Austria.	77.63	77.63
vi) 100 (100) shares of US\$ 1 each in Shilpa Pharma INC., USA.	0.07	0.07
vii) 1000 shares of ₹ 100/- each in Shilpa Biologicals Pvt. Ltd., Hubli.	1.00	-
viii) 10,000 shares of ₹ 10/- each in Shilpa Albumin Pvt. Ltd., Raichur.	1.00	-
II) In Associate Companies		
i) 100,000 (100,000) shares of ₹ 10/- each in Reva Pharmachem Pvt. Ltd., Raichur.	10.00	10.00
III) In Joint Venture Companies		
i) 5,001 (5,001) share of ₹ 10/- each in Reva Medicare Pvt. Ltd., Raichur.	0.50	0.50
ii) 65,000 shares of ₹ 10/- each in Sravathi Advance Process Technologies Pvt. Ltd., Bangalore.	6.50	-

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	As at 31 March, 2020	As at 31 March, 2019
b) Investments in Preference Instruments (Unquoted)		
I) In Subsidiary Companies		
i) 4,00,000(4,00,000) cumulative shares of ₹ 10/- each in Shilpa Therapeutic Pvt. Ltd., Hyderabad.	40.00	40.00
ii) 3,25,37,670 (3,25,37,670) cumulative shares of ₹ 10/- each in INM Technologies Pvt. Ltd., Bangalore.	3,253.77	3,253.77
iii) 9,93,000 (9,93,000) Non-cumulative shares of ₹ 10 each in INM Technologies Pvt. Ltd., Bangalore.	993.00	993.00
II) In Joint Venture/Associate Companies		
i) 1,400,000 (1,400,000) Preferred Stock at par value of US\$ 0.0001 each in MAIA Pharmaceuticals INC., USA.	795.69	795.69
ii) 840,000 (NIL) Non-cumulative convertible preference shares of ₹100/- each in Sravathi Advance Process Technologies Pvt. Ltd., Bangalore.	840.00	-
iii) Application money for 50,000 (NIL) Non-cumulative shares of ₹ 100/- each in Sravathi Advance Process Technologies Pvt. Ltd., Bangalore.	50.00	-
c) Investments in Common Stock (Unquoted)		
I) In Subsidiary Companies		
i) 1,892,308 (1,892,308) common stock @ par value of US\$ 0.001 in Makindus LLC., USA.	454.20	454.20
d) Investments in Government Securities (Unquoted)		
i) National Savings Certificate.	0.20	0.20
e) Others		
I) Investments in Equity Instruments (Unquoted)		
i) 741,362 (741,362) shares of ₹ 14/- each of Prathijna Sustainable Solutions Pvt. Ltd., Bangalore.	103.79	103.79
	9,802.62	8,904.12
Less: Provision for diminution in the value of investments	(454.20)	-
Total value of unquoted investment	9,348.42	8,904.12
Aggregate value of unquoted investment	9,348.42	8,904.12
(ii) Loans		
Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Shilpa Therapeutic Pvt. Ltd. (Wholly owned subsidiary)	5,208.55	3,497.02
b) Koanaa Healathcare GmbH, Austria. (Wholly owned subsidiary)	3,387.99	3,001.30
c) Koanaa Healthcare Limited, UK. (Wholly owned subsidiary)	418.12	712.84
d) Shilpa Pharma INC., USA. (Wholly owned subsidiary)	602.99	-
Total	9,617.65	7,211.16

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

(iii) Other Financial Assets

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Security deposits (unsecured considered good)		
(i) Electricity deposits	401.51	367.98
(ii) Rental deposits	80.76	41.01
(iii) Telephone deposits	0.65	0.79
(iv) Miscellaneous deposits	20.90	88.11
Total (a)	503.82	497.89
b) Cross currency swap account	543.81	228.73
Total (b)	543.81	228.73
Total (a + b)	1,047.63	726.62

7 OTHER NON-CURRENT ASSETS

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Capital advances		
(i) Unsecured, considered good	2,247.56	4,198.99
Less: Written off	-	-
Total (a)	2,247.56	4,198.99
b) Others		
(i) Income Tax paid under protest	43.33	43.33
(ii) VAT on Capital Goods & Others Item (Refer note: 47)	41.78	42.67
(iii) Prepaid Expenses	32.01	2,454.12
(iv) Excise duty	-	0.86
Total (b)	117.12	2,540.98
Total (a+b)	2,364.68	6,739.97

8 INVENTORIES

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Raw materials	11,158.23	9,993.49
b) Work-in-progress	1,853.85	1,696.82
c) Finished goods	5,005.57	3,675.24
d) Stock-in-trade	234.55	295.45
e) Stores and Spares	1,503.56	1,361.96
f) Packing materials	867.64	647.45
Total	20,623.40	17,670.41

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

9 FINANCIAL ASSETS

(i) Current Investment

Particulars	As at 31 March, 2020	As at 31 March, 2019
Investment in Bonds	1,437.39	1,437.39
Total	1,437.39	1,437.39
Less : Provision for diminishing in the value of Investment	1,437.39	1,437.39
Total value of unquoted investment	-	-
Aggregate value of unquoted investment	-	-

(ii) Trade Receivables (Refer Note 51)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Unsecured		
(a) Considered good	22,654.41	18,168.27
Total (a)	22,654.41	18,168.27
(b) Significant increase in credit risk	13.72	280.04
Less Written-off	(13.72)	(280.04)
Total (b)	-	-
Total (a+b)	22,654.41	18,168.27

Note : Trade receivable in above note no: 9 (ii) (a) includes ₹ 269.14 (PY ₹409.47) is receivable from related parties (refer note no: 45 Related Party Transaction)

(iii) Cash and Cash Equivalents

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Cash on hand	22.80	13.80
b) Balance with banks in current account	2,770.87	3,052.44
Total	2,793.67	3,066.24

(iv) Other Bank Balance other than (iii) above

Particulars	As at 31 March, 2020	As at 31 March, 2019
Earmarked Balances		
(i) Unclaimed dividend accounts	24.85	23.09
(ii) Restricted fixed deposits	-	6,003.56
Total	24.85	6,026.65

(v) Loans

Particulars	As at 31 March, 2020	As at 31 March, 2019
(a) Unsecured, considered good		
(i) Zatortia Holdings Ltd (Wholly owned subsidiary)	1.25	1.17
(ii) Reva Pharma Chem Pvt Ltd (Associate)	-	105.01
(iii) Shilpa Pharma INC - USA (Wholly owned subsidiary)	-	283.53
Total	1.25	389.71

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

(vi) Other Financial Assets

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Income accrued and due	72.77	10.08
b) CST receivable	34.81	117.73
c) Staff advance	181.73	165.37
d) Tender deposits	8.49	4.84
e) Fixed deposits having maturity less than 12 month held as margin money	92.71	27.37
f) Interest accrued on fixed deposits/others	533.19	330.79
g) Export incentives in hand	230.22	304.69
h) Dividend accrued on preference shares	943.32	680.22
i) Receivable from subsidiary against business sale	33,660.00	-
Total	35,757.24	1,641.09

10 OTHER CURRENT ASSETS

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) CENVAT receivable	46.92	60.57
b) Prepaid Expenses	597.47	419.24
c) Advances to supplier/ receivables	1,868.52	531.44
d) CGST /IGST /SGST receivables	4,748.38	2,827.25
Total	7,261.29	3,838.50

11 CURRENT TAX ASSETS

Particulars	As at 31 March, 2020	As at 31 March, 2019
Income tax (net)	864.02	451.59
Total	864.02	451.59

12 ASSETS HELD FOR SALE

Particulars	As at 31 March, 2020	As at 31 March, 2019
452,793 (452,793) equity shares of ₹ 10/- each in Raichem Medicare Pvt. Ltd., Raichur. (Associate)	789.19	789.19
Total	789.19	789.19

13 EQUITY SHARE CAPITAL

Particulars	As at 31 March, 2020	As at 31 March, 2019
Authorised share capital		
95,000,000 (PY 95,000,000) shares face value of Re. 1/- each.	950.00	950.00
	950.00	950.00
Issued, subscribed & fully paid up capital		
Opening balance	815.27	815.27
Changes during the Year	-	-
Closing balance	815.27	815.27
81,526,898 (81,526,898) shares face value of Re. 1/- each.	815.27	815.27
	815.27	815.27

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

(a) Reconciliation of the number of shares.

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	No.s	Amount	No.s	Amount
Shares outstanding at the beginning of the year	81,526,898	815.27	81,526,898	815.27
Add : Issued during the year face value of Re. 1/- each.	-	-	-	-
Shares outstanding at the end of the year	81,526,898	815.27	81,526,898	815.27

(b) Rights, preference and restriction attached to each class of shares :

Equity Shares:

The Company has only one class of equity shares having par value of Re .1/- per share. Each holder of equity shares is entitle to one vote per share.

The company has declared and paid final dividend of Re.1/- (P.Y. NIL) and the Board of Directors have declared and paid interim dividend of Re.1.10 (P.Y. NIL) per equity of face value of Re.1/- per share

In the event of liquidation, the holders of equity are entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shareholders holding more than 5% shares in the Company

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	No. of Shares	% Holding	No. of Shares	% Holding
(i) Vishnukant .C. Bhutada	8,086,012	9.92	8,086,012	9.92
(ii) Kantadevi Inani	-	-	6,455,736	7.92
(iii) Dharmavati Bhutada	6,207,796	7.61	6,207,796	7.61
(iv) Tano Mauritius India FVCI II	6,179,506	7.58	6,179,506	7.58
(v) Baring India Private Equity III Limited	6,000,000	7.36	6,000,000	7.36
(vi) Kamalkishor Inani	-	-	4,823,828	5.92

(d) Details of Equity Shares allotted as fully paid-up pursuant to contracts without payment being received in cash during the period of five years immediately preceding the Balance Sheet date.

Particulars	31 March, 2019	31 March, 2018	31 March, 2017	31 March, 2016	31 March, 2015
Shares issue to directors of Navya Biological Pvt. Ltd. on account of merger	-	1,399,994	-	-	-

14 OTHER EQUITY

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Securities Premium Account	42,863.93	42,863.93
b) General Reserves	5,182.68	5,182.68
c) Retained Earning	96,805.24	79,497.38
d) Other comprehensive income (OCI)		
i) Cash flow hedge reserve	(41.91)	(46.74)
ii) Remeasured of defined benefit plan	(291.72)	(166.73)
e) Gain on forfeiture of equity share	8.76	8.76
Total	144,526.95	127,339.28

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

15 FINANCIAL LIABILITIES

(i) Long Term Borrowings

Particulars	As at 31 March, 2020	As at 31 March, 2019
Term Loans		
a) From Banks (secured)		
I) SCB-External Commercial Borrowings	2,120.23	4,539.37
Nature of Security		
ECB of USD 15 MN taken from Standard Chartered Bank, London(SCB) and the said facility is secured by first pari passu charge on moveable and immovable fixed asset of SEZ unit and plant & machinery of Deosugur unit, including proposed capex created out of such loan and personal guarantees given by two (02) of its directors. The Company had entered into hedge contract with bank on the said facility.		
Terms of Repayment & Interest Rate:		
Repayment of ECB Loan from SCB have a moratorium period of 15 months and would be repayable in 16 quarterly installments with the final installment falling due at the end of the 60 th month from the date of grant of loan. The loan is repayable of ₹ 62.34 MN quarterly. Further the Company has hedge principal amount of USD 15 MN @ ₹ 66.50 with fixed interest at 8.90% payable monthly.		
II) HDFC - Term Loan	6,828.13	-
Nature of Security		
Term loan of ₹ 1000 MN taken from HDFC, Hyderabad and is secured by first pari passu charge on the movable and immovable fixed assets of Unit -I, Raichur, second pari passu charge on SEZ unit, Jadcherla and personal guarantees given by two (02) of its directors.		
Terms of Repayment & Interest Rate:		
5% repayment is payable in the first year in equal quarterly installment and remaining 95% in four (04) years in equal quarterly installment from the date of disbursement. Interest chargeable at 8% linked to repo rate with reset every three month.		
III) HSBC - Term Loan	7,500.00	3,500.00
Nature of Security		
Term loan of ₹ 1000 MN taken from HSBC, Bangalore and is secured by first pari passu charge on the movable and immovable fixed assets of Unit -I situated at Deosugur and exclusive charge on Unit-II situated at Chicksugur and personal guarantee given by two (02) of its directors.		

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Terms of Repayment & Interest Rate:		
Repayment of term loan from HSBC with a moratorium period of 12 months and would be repayable in 16 rear ended quarterly installments of ₹ 62.50 MN with the final installment falling due at the end of the January- 2024. Interest payable at 03 month MCLR payable monthly.		
b) From Others (unsecured)		
l) Loan under SBIRI Scheme	-	70.19
Loan from Department of Biotechnology, Ministry of Science and Technology, New Delhi. Under Scheme Small Business Innovative Research Initiative (SBIRI)		
Terms of Repayment & Interest Rate:		
The loan is repayable in 10 equal yearly installments starting from 17.08.2013 of ₹ 21.05 Lakhs with final installment falling due on 17.08.2022. Interest is payable @ 1% P.A on amount drawn upto ₹ 100 .00 Lakhs and @ 2% above ₹ 100.00 Lakhs, and is payable in 02 equal installment after principal repayment.		
Total	16,448.36	8,109.56
16 PROVISIONS		
Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Provision for gratuity	797.67	485.68
b) Provision for leave encashment	74.81	50.12
Total	872.48	535.80
17 DEFERRED TAX LIABILITIES (NET)		
Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Deferred tax liability (Difference in tax base of property, plant, equipment & others)	7,779.26	10,027.64
b) Deferred tax asset (On account of disallowable items under income tax act)	(476.64)	(268.29)
c) MAT Credit Entitlement	(4,263.78)	(4,159.18)
Total	3,038.84	5,600.17
18 OTHER NON-CURRENT LIABILITIES		
Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Deferred revenue	187.55	191.45
b) Capital subsidy / Deferred government grant	85.73	1,272.23
c) Corporate gurantee liability	-	6.02
d) Lease liability	167.13	-
Total	440.41	1,469.70

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

19 FINANCIAL LIABILITIES

(I) Borrowings

Particulars	As at 31 March, 2020	As at 31 March, 2019
Secured Loan		
a) Working capital loan		
From Banks		
(i) Standard Chartered Bank [refer note 'a' 'g (i)' below]	-	216.68
(ii) Standard Chartered Bank (PCFC) [refer note 'a' & 'g (ii)' below]	6,350.89	3,873.60
(iii) Citi Bank (PCFC) [refer note 'b' & 'g (iii)' below]	4,674.83	366.60
(iv) HSBC (PCFC) [refer note 'c' & 'g (iv)' below]	4,614.37	-
(v) Axis Bank - Deposit Loan (refer note 'd')	-	1,003.29
(vi) HDFC- Deposit Loan (Refer note 'e')	-	1,911.06
(vii) Lakshmi Vilas Bank - Deposit Loan (refer note 'f')	-	500.37
Nature of Security and Interest		
a) Working capital loan from Standard Chartered Bank (SCB) is secured by first pari passu charge on current assets and first charge on certain fixed assets movable & immovable (except those created through other loans) in line with other working capital lenders and personal guarantee of two (02) Directors		
b) Working capital loan from Citi Bank (CB) is secured by first pari passu charge on current assets and charge on fixed assets (except those created through other loans) in line with other working capital lenders and personal guarantee of two (02) directors . The sanction facility is interchangeably as PCFC/ Cash credit and applicable interest will be charge.		
c) Working capital loan from HSBC is secured by first pari passu charge on current assets and charge on movable fixed assets (except those created through other loans) in line with other working capital lenders and personal guarantee of two (02) Directors.		
d) Loan from Axis Bank is taken against fixed deposit and interest is chargeable @ 1% above the rate of fixed deposit interest, and is repayable before or on the redumption of fixed deposit		
e) loan from HDFC Bank is taken against fixed deposit and interest is chargeable @ 1% above the fixed deposit interest rate and is repayable before or on the redumption of fixed deposit		
f) loan from Lakshmi Vilas Bank is taken against fixed deposit and interest is chargeable @ 1% above the fixed deposit interest rate and is repayable before or on the redumption of fixed deposit		
g) Interest rate as at March 31, 2020 is as under:		
(i) On overdraft - MCLR+1%		
(ii) On PSFC/PCFC - LIBOR + 1.15%		
(iii) On PSFC/PCFC - LIBOR + 1.50%		
(vi) On PSFC/PCFC - LIBOR + 1.25%		
Total	15,640.09	7,871.60

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

(II) Trade Payables (Refer Note 46 & 50)

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Trade payables due to micro and small enterprises	547.98	829.87
b) Trade payables due to other than micro and small enterprises	7,115.47	6,307.08
Total	7,663.45	7,136.95

Note : Trade payable in above note no: 19 (II) (b) includes ₹ 883.21 (PY ₹316.20) is payable to related parties (refer note no: 45 Related Party Transaction)

(III) Other financial liabilities

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Current maturities of long-term debt	5,936.35	2,634.94
b) Interest accrued but not due on borrowings	94.52	52.79
c) Unclaimed dividends	24.85	23.09
d) Employee benefit liability	2,231.02	1,817.89
e) Books overdraft	-	13.28
f) Interim dividend payable	1.18	-
g) Capital creditors	1,824.15	1,789.08
Total	10,112.07	6,331.07

20 OTHER CURRENT LIABILITIES

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Advances from customers	914.60	499.29
b) Tax deduction at source	746.49	553.43
c) ESI, Professional tax, etc.	4.37	6.37
d) Security trade deposit	104.40	112.90
e) Provident fund payable	84.04	75.48
f) Unclaimed bonus & salary	17.92	27.53
g) Custom duty	1.57	46.81
Total	1,873.39	1,321.81

21 PROVISIONS

Particulars	As at 31 March, 2020	As at 31 March, 2019
Provision for expenses	697.14	297.33
Total	697.14	297.33

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

22 REVENUE FROM OPERATIONS-SALES

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
a) Sales of products	70,126.47	61,531.08
b) Export incentives	903.47	1,248.16
c) Energy sales	598.99	581.84
Total	71,628.93	63,361.08
Abstract		
(i) Bulk Drugs/Intermediates	50,180.66	43,720.32
(ii) Formulation	19,114.66	16,600.69
(iii) Export incentives	903.47	1,248.16
(iv) Power	598.99	581.84
(v) Trading	459.40	730.60
(vi) Others	371.75	479.47
Total	71,628.93	63,361.08

23 REVENUE FROM OPERATIONS-SERVICE AND LICENCE FEES

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Product development & License fees	8,968.18	3,026.80
Total	8,968.18	3,026.80

24 OTHER INCOME

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
a) Interest Income on :		
i) Deposit with bank	116.16	466.58
ii) Others	585.64	375.41
b) Liabilities written back	31.94	6.30
c) Provision written back	-	12.24
d) Dividend on current investments	-	19.40
e) Gain on investment in mutual fund	-	336.16
f) Corporate guarantee fees	6.02	10.49
g) Capital subsidy (Grants)	20.70	4.39
h) Dividend on preference shares	263.50	263.50
i) Miscellaneous income	102.32	58.88
Total	1,126.28	1,553.35

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

25 COST OF MATERIAL CONSUMED

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Inventory at the beginning of the year	10,640.94	10,865.93
Add: Purchases	28,107.58	23,529.68
Less: Inventory at the end of the year	11,158.23	10,640.94
Cost of raw materials and packing materials consumed	27,590.29	23,754.67
Material consumed comprises of:		
i) Raw material	26,870.80	23,228.57
ii) Packing material	719.49	526.10
Total	27,590.29	23,754.67

26 PURCHASE OF STOCK-IN-TRADE

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Purchase of Medicines/Bulk Drugs/Others	392.94	725.27
Total	392.94	725.27

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

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Opening Inventories		
(i) Finished goods	3,970.69	2,860.87
(ii) Work-in-process	1,696.82	1,814.25
Closing Inventories		
(i) Finished goods	5,240.12	3,970.69
(ii) Work-in-process	1,853.85	1,696.82
(Increase) / decrease in inventory	(1,426.46)	(992.39)

28 EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
a) Salaries, wages and bonus	14,030.80	11,638.22
b) Contribution to provident fund /gratuity and other funds	695.72	632.44
c) Staff welfare expenses	201.34	194.89
Total	14,927.86	12,465.55

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

28 FINANCE COSTS

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Interest expense on :		
a) Working capital facility	382.75	275.36
b) Finance cost on lease liability (IND AS 116)	11.66	-
c) Others	38.48	4.03
Total	432.89	279.39

30 OTHER EXPENSES

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
a) Power and fuel	3,531.31	3,138.74
b) Repairs and maintenance		
i) Buildings	353.36	249.15
ii) Plant and machinery	2,064.65	2,041.62
iii) Others	166.34	109.59
c) Rent	96.23	169.65
d) Exchange loss/(gain) (net)	(705.57)	(162.59)
e) Rates and taxes	386.96	105.37
f) Insurance	154.12	165.54
g) Travelling and conveyance	261.54	222.02
h) Contract labour charges	1,008.72	1,010.04
i) Legal & professional fees	1,148.27	657.70
j) Facility fees	410.83	317.23
k) Payments to auditors (Refer Note 41)	15.50	15.50
l) Quality control, research and development expenses	3,121.76	1,550.28
m) Transportation charges	99.52	75.47
n) Brokerage and commission	528.06	371.97
o) Job work charges	0.66	1.16
p) Directors sitting fees	2.40	2.00
q) Sales promotion and advertisement	85.73	74.30
r) Bad debts/advances written off	13.73	280.04
s) Clearing and forwarding expenses	339.87	203.98
t) (Profit)/Loss on sale/discard of assets	(5.63)	39.65
u) VAT and entry tax	50.08	0.71
v) CSR expenses	660.26	293.91
w) Capital advances written off	-	52.53
x) Miscellaneous expenses	833.25	594.69
Total	14,621.95	11,580.25

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

31 EXCEPTIONAL INCOME/ (EXPENSES)

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
a) Provision for diminishing in the value of bonds (refer below note:02)	-	(1,437.39)
b) Gain on sale of equity instrument	-	1,955.47
c) Gain on sale of preference shares (RMPL)	-	619.87
d) Preference share dividend written-off	-	(559.59)
e) Insurance claim	-	44.10
f) Provision for diminishing in the value of Investment (refer below note 01)	(454.20)	-
Total	(454.20)	622.46

Note 01:

Exceptional item for the year ended 31 March 2020 represents Provision for impairment of investment in a subsidiary (Makindus LLC, USA) amounting to ₹ 454.2 Lakhs (Previous year Nil)

Note 02:

As part of treasury management, the Company has invested in commercial paper of Infrastructure Leasing & Financial Services Limited (IL&FS) amounting to ₹ 1,437.39 lakhs which was due for redemption on 02 January 2019. The aforesaid amount and interest thereon have, however, not been received as on date. In view of the fact that there is significant uncertainty on recovery of the entire amount, the management has made a provision for full amount of ₹ 1,437.39 lakhs as at 31 March 2019.

32 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Foreign letter of credit	476.91	2,165.30
b) Bank guarantees / Corporate guarantee*	444.50	4,210.00
c) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	3,138.21	9,927.90
d) Others	-	160.49
Total	4,059.62	16,463.69

* Out of the corporate guarantee given of ₹ 200.00 (P.Y 4200.00) lakhs, the outstanding liabilities against corporate guarantee given to banks for its Associates & Subsidiary for the financial year ended 31.03.2020 is ₹ NIL (P.Y 407.78) Lakhs

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

33 EMPLOYEE BENEFIT DEFINED CONTRIBUTION PLANS

Particulars	As at 31 March, 2020	As at 31 March, 2019
Defined Contribution Plan		
Provided fund	468.46	432.24
Movement of present value of the defined benefit obligation		
i) Change in defined benefit obligation		
Obligations at year beginning	989.56	836.59
Service cost	161.77	148.52
Interest on defined benefit obligation	65.44	63.10
Benefits settled	(62.92)	(49.04)
Divestures (Demerger)	(23.19)	-
Actuarial (gain)/loss	188.77	(9.61)
Obligations at year end	1,319.43	989.56
ii) Change in plan assets		
Plans assets at year beginning, at fair value	279.65	153.60
Adjustment to opening fund	-	1.97
Expected return on plan assets	16.95	16.41
Actuarial gain/(loss)	(3.35)	(7.58)
Employer contribution	-	164.28
Benefits payout	(62.92)	(49.03)
Plans assets at year end, at fair value	230.33	279.65
iii) Amount recognised in the balance sheet		
Closing BPO	1,319.43	989.56
Closing fair value of plan assets	(230.34)	(279.65)
Net asset/(liability) recognized in the balance sheet	1,089.09	709.91
iv) Expenses recognised in the statement of P & L account		
Service cost	161.77	148.52
Interest cost	65.44	63.10
Expected return on plan assets	16.95	16.41

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Particulars	As at 31 March, 2020	As at 31 March, 2019
Expenses recognised in the statement of Other Comprehensive income		
Actuarial (Gain) / Losses due to Demographic Assumption changes in DBO	(56.13)	96.53
Actuarial (Gain) / Losses due to Financial Assumption changes in DBO	268.56	(124.79)
Actuarial (Gain)/ Losses due to Experience on DBO	(23.66)	18.65
Return on Plan Assets (Greater) / Less than Discount rate	3.35	5.60
Total actuarial (gain)/loss included in OCI	192.12	(4.01)
v) Assets Information		
i) Insured (fund is managed with Life insurance corporation of India)	230.34	279.65
%	21.15	39.39
ii) Non fund based	858.75	430.25
%	78.85	60.61
vi) Principal actuarial assumptions		
Interest rate	-	-
Discount rate (based on the market yields available on Government bond at the accounting date with a term that matches that of the Liabilities)	6.83%	7.77%
Expected rate of return on assets	6.83%	7.77%
Salary increase (taking into account inflation, seniority, promotion and other relevant factor)	10% FY5 & 8.5% there after	10% FY5 & 7% there after
Attrition rate of employees	14.00%	8.00%
Retirement age of employees (Years)	60	58

Actuarial gain / loss is recognised immediately. The estimates of salary increase, inflation, promotion, Seniority etc taken in account. The Company has various schemes (funded/unfunded) for payment of gratuity to all eligible employees calculated at specific no. of days (ranging from 15 days to 1 month) of the last drawn salary depending upon tenure of service for each year of completed service subject to minimum of five years payable at the time of separation upon superannuation or on exit otherwise.

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Sensitivity Analysis

The Sensitivity of the defined benefit obligation to changes in the weighted principal assumption are as below:

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Decrease	Increase	Decrease	Increase
Discounted rate	8.10	9.34	9.12	10.55
Salary increase	6.94	7.19	8.25	9.10
Attrition rate	1.42	1.57	0.70	0.67

Sensitivity of signification actuarial assumptions is computed by varying one actuarial assumption used for the valuation of defined benefit obligation by 100 basis points keeping all other actuarial assumption constant.

34 FAIR VALUE MEASUREMENT HIERARCHY:

Particulars	As at 31 March, 2020					As at 31 March, 2019				
	Carring Amount					Carring Amount				
	Amortized cost	FVTPL			Total	Amortized cost	FVTPL			Total
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3			
FINANCIAL ASSETS										
Investments	9,348.42	-	-	-	9,348.42	8,904.12	-	-	-	8,904.12
Loans	9,618.90	-	-	-	9,618.90	7,600.87	-	-	-	7,600.87
Trade receivable	22,654.41	-	-	-	22,654.41	18,168.27	-	-	-	18,168.27
Cash & bank balance	2,793.67	-	-	-	2,793.67	3,066.24	-	-	-	3,066.24
Other bank balance	24.85	-	-	-	24.85	6,026.65	-	-	-	6,026.65
Other financial assets	36,261.06	-	543.81	-	36,804.87	2,138.98	-	228.73	-	2,367.71
Total	80,701.31	-	543.81	-	81,245.12	45,905.13	-	228.73	-	46,133.86
FINANCIAL LIABILITIES										
Borrowings	29,968.22	-	2,120.23	-	32,088.45	11,371.60	-	4,609.55	-	15,981.15
Trade payables	7,663.45	-	-	-	7,663.45	7,136.95	-	-	-	7,136.95
Other financial liabilities	7,285.10	-	2,826.97	-	10,112.07	3,742.95	-	2,634.93	-	6,377.88
Total	44,916.77	-	4,947.20	-	49,863.97	22,251.50	-	7,244.48	-	29,495.98

Level 1: Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, ETFs and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

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

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

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Valuation technique used to determine fair value:

- 1) The use of quoted market prices or dealer quotes for similar instruments
- 2) The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- 3) The fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date.

35 FINANCIAL RISK MANAGEMENT

The Company activities expose it to a variety of financial risks such as Market Risk, Credit Risk and Liquidity Risk. The company's focuses on minimizing potential adverse effect on its financial performance.

A) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The changes in the values of financial assets/liability may result from change in the foreign currency exchange rates (Foreign Currency Risk), change in interest rates (Cash flow & interest rate risk), and change in price of investments (Price Risk).

(i) Foreign Currency Risk

The Company operates internationally and a major portion of the business is transacted in USD, EURO & GBP currencies and consequently, the Company is exposed to foreign exchange risk through operating and borrowing activities in foreign currency. The Company holds derivative instruments such as foreign exchange forward, interest rate swaps and option contracts to mitigate the risk of changes in exchange rates and foreign currency exposure.

(Amount in lakhs)

Particulars	As at 31 March, 2020			As at 31 March, 2019		
	USD	EURO	GBP	USD	EURO	GBP
Loan	8.00	41.81	3.60	4.00	39.64	6.70
Trade receivables	203.58	3.98	-	140.20	3.27	0.07
Cash and cash equivalents	5.72	0.10	0.01	15.73	0.06	0.01
Short-term borrowings	(207.47)	-	-	(61.30)	-	-
Trade payables	(42.05)	(0.35)	-	(36.46)	(1.86)	-
Net Foreign Currency Risk	(32.22)	45.54	3.61	62.17	41.11	6.78

Sensitivity analysis

Sensitivity analysis of 1% change in exchange rate at the ending of the reporting period net of hedges

Particulars	Impact on Profit & Loss		Impact on other component of equity	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
USD-Sensitivity				
Increase by 1% (gain/(loss))	(24.29)	43.00	-	-
Decrease by 1% (gain/(loss))	24.29	(43.00)	-	-
Euro-Sensitivity				
Increase by 1% (gain/(loss))	37.82	31.94	-	-
Decrease by 1% (gain/(loss))	(37.82)	(31.94)	-	-
GBP-Sensitivity				
Increase by 1% (gain/(loss))	3.36	6.13	-	-
Decrease by 1% (gain/(loss))	(3.36)	(6.13)	-	-

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest expenses/ income and to manage the interest rate risk, the Company weighted average balance manage its interest rate risk by having portfolio of fixed / variable interest rate on long / short term borrowings. The analysis is prepared assuming the amount of liability outstanding at the ending of the reporting period is the average weighted balance of the respective reporting period.

According to the Company interest rate risk exposure is only for floating rate borrowings, change in 0.5% in the interest rate component applicable to the short term borrowings would effect the Companies net profit before tax at the end of the reporting period year ended 31 March, 2020 and 31 March, 2019 respectively.

Particulars	31 March, 2020	31 March, 2019
Change in 0.50% interest on WCL	78.20	39.36

Note :

- The Company has hedge ECB loan availed from Standard Chartered Bank. Therefore not subject to interest risks defined under Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate due to change in market interest rates.

(iii) Price Risk

Company does not have any exposure to price risk , as there is no market based equity investment made by the Company.

(B) 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. The credit risk is arises from its operation activity primarily from trade receivable and from its financial activity. Customer credit risk is controlled by analysis of credit limit and credit worthiness of the customer on a continuous basis to whom the credit has been granted.

Long outstanding receivable from customer are regularly monitored and transaction with such customer are covered under letter of credit. The maximum exposure to credit risk at the reporting date is the carrying value of trade and other receivable. Three customer are accounted for more than 10% of the trade receivable as of 31 March, 2020 and Two customer for 31 March, 2019. Since the Company is dealing with the customer from past several years, hence there is no concordent risk in dealing with said customers.

Expected credit loss assessment

The Group reviewed customers outstanding at the end of each reporting period and determine incurred and expected credit losses . Past trend of impairment of trade receivables do not reflect any significant credit losses. The movement in allowance for impairment in respect of trade and other receivables during the year was as follows:

Allowance for Impairment	31 March, 2020	31 March, 2019
Impairment loss recognised - trade receivable	13.72	280.04
%	0.06	1.54

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

C) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations of its financial liability. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for making liability when they are due, under normal and stressed condition without incurring losses and risk.

The present available working capital facility is sufficient to meet its current requirement. Accordingly no liquidity risk is perceived. In addition, the Company maintains the following line of credit facility

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March, 2020 :

Particulars	On Demand	< 01 year	01 to 05 Years	> 05 years
Short term borrowing	15,640.09	-	-	-
Long term borrowings	-	5,936.35	16,448.36	-
Trade and other payable	-	7,663.45	-	-
Total	15,640.09	13,599.80	16,448.36	-

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March, 2019 :

Particulars	On Demand	< 01 year	01 to 05 Years	> 05 years
Short term borrowing	7,871.60	-	-	-
Long term borrowings	-	2,634.94	8,109.56	-
Trade and other payable	-	7,136.95	-	-
Total	7,871.60	9,771.89	8,109.56	-

36 CAPITAL MANAGEMENT

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus of safeguard their ability to continue as a going concern, benefits for stakeholders, creditors and market confidence. Continue to maintain excess liquidity to shareholders by distributing dividends in future.

Company's vision is to keep the ratio below 1.00 and its adjusted net debt to equity ratio was as follows

Particulars	31 March, 2020	31 March, 2019
Total equity attributable to the equity shareholders of the Company	145,342.22	128,154.55
As a percentage of total capital		
Long-term borrowings	22,384.71	10,744.50
Short-term borrowings	15,640.09	7,871.60
Total Debts	38,024.80	18,616.10
Net Debt to Equity Ratio	0.26	0.15

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

37 EARNINGS PER SHARE ('EPS')

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Profit for the year before OCI from continuing operations	16,819.43	13,574.97
Profit for the year before OCI from discontinued operations	2,552.41	(1,164.33)
Shares		
Weighted average shares used for computing basic EPS	81,526,898	81,526,898
Weighted average shares used for computing diluted EPS	81,526,898	81,526,898
Earning Per Share		
from continuing operations		
Basic (in ₹)	20.63	16.65
Diluted (in ₹)	20.63	16.65
from discontinued operations		
Basic (in ₹)	3.13	(1.43)
Diluted (in ₹)	3.13	(1.43)

38 RESEARCH AND DEVELOPMENT EXPENSES ELIGIBLE FOR WEIGHTED DEDUCTION UNDER INCOME TAX ACT 1961

Particulars	For the year ended 31 March, 2020				For the year ended 31 March, 2019		
	Raichur Facility	Vizag Facility	Hubli Facility	Bengaluru Facility	Raichur Facility	Vizag Facility	Hubli Facility
A) ELIGIBLE EXPENSES							
a) Capital Expenditure	61.11	-	157.37	298.52	275.20	253.34	514.88
b) Revenue Expenditure							
i) Employee Cost	1,374.14	1,075.41	770.57	489.37	1,086.19	1,649.95	1,149.60
ii) Research & Development expenses	449.00	312.30	268.11	58.93	285.55	486.18	226.24
iii) Equipment Maintenance	151.66	0.40	49.74	23.65	100.54	68.59	30.37
iv) Power & Fuel	1.15	36.37	36.78	-	-	77.13	24.42
v) Other Expenses	260.34	74.05	31.56	17.15	52.99	87.12	48.36
Total	2,297.40	1,498.53	1,314.13	887.62	1,800.47	2,622.31	1,993.87
Less : Revenue Income	138.17	23.25	-	-	-	286.75	-
Less : Sale of Assets	-	123.23	9.63	5.13	-	-	-
Total (A)	2,159.23	1,352.05	1,304.50	882.49	1,800.47	2,335.56	1,993.87
B) INELIGIBLE EXPENSES							
a) Revenue Expenditure							
i) Misc. Expenses	574.75	300.01	12.84	10.94	17.33	214.28	(5.74)
ii) Depreciation	207.95	146.26	350.60	64.16	191.17	216.01	315.55
Total	782.70	446.27	363.44	75.10	208.50	430.29	309.81
b) Capital Expenditure	-	-	1.67	-	5.60	8.91	4.49
Total (B)	782.70	446.27	365.11	75.10	214.10	439.20	314.30
Total (A+B)	2,941.93	1,798.32	1,669.61	957.59	2,014.57	2,774.76	2,308.17

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

39 CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a Company, has to spend 2% of its average net profits of three immediate preceding financial year. The Company has formed trust by name ' Shilpa Foundation' to commit the expenditure under the various activity like pure and safe drinking water, Orphanage home, Education promotion, Hospital/ Medical facility. Swatch bharaat, Green Project with local bodies/NGO to make eco-friendly environment.

Particulars	For the year 2019-20	For the year 2018-19
Gross amount required to be spent	326.46	326.33
Construction/acquisition of any asset	-	-
Amount spent / transfer to trust during the year	329.08	293.91

The Company has transferred ₹ 326.33 Lakhs (293.91 lakhs) to "Shilpa Foundation". The amount of earmarked fund is insufficient to kick start the project, the committee has set aside the fund to take up the project when sufficient fund are available for initiating the project.

40 RECONCILIATION OF TAX EXPENSES

(I) Income Tax (Continuing and Discontinued Operations)

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Current tax on profit for the year	3,673.01	3,664.82
MAT credit entitlement	(104.60)	(910.47)
Origination and reversal of temporary differences	458.59	394.97
Amount recognised in statement of profit & loss account	4,026.99	3,149.32
	23,398.81	15,559.95
Tax at enacted tax rate in India C.Y.@ 34.944% (P.Y 34.944%)	8,176.48	5,437.27
Weighted deduction on research and development expenditure	(1,028.65)	(1,495.76)
Exempt income and other deductions (net)	(3,331.17)	(1,394.46)
Non-deductible expenses	79.23	694.69
Tax effect which is chargeable at different rate	-	(308.22)
Tax effect due to change in tax rate	-	91.20
Others	131.11	124.60
	4,026.98	3,149.32

(II) Recognised Deferred Tax Assets / Liabilities

Movement of deferred tax assets/liabilities	As at 31 March, 2020	As at 31 March, 2019
Deffered tax liabilities		
Property, plant and equipment and intangible assets	7,776.13	10,011.87
Investments to be recognised at fair value through profit & loss	-	-
Cross currency swap (Through profit & Loss)	16.34	14.66
Others	(13.21)	1.11
Gross deferred tax liabilities	7,779.26	10,027.64
Deferred tax assets		
Defined benefit liability	450.50	248.04
Employees benefit liability	26.14	20.25
MAT credit entitlement benefit	4,263.78	4,159.18
Gross deferred tax assets	4,740.42	4,427.47
Net deferred tax liabilities	3,038.84	5,600.17

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Movement of deferred tax assets /deferred tax liabilities	As at 01 April, 2019	Recognised in statement of profit & loss	Recognised in OCI	Transfer on account of Slump Sale	As at 31 March, 2020
Deferred tax assets					
Defined benefit obligations	248.04	135.28	67.18	-	450.50
Employees benefit liability	20.25	5.89	-	-	26.14
MAT credit entitlement benefit	4,159.18	104.60	-	-	4,263.78
Total	4,427.47	245.77	67.18	-	4,740.42
Deferred tax liabilities					
Property, Plant & equipment and intangible assets	10,011.87	623.95	-	(2,859.69)	7,776.13
Cross currency swap	14.66	-	1.68	-	16.34
Others	1.10	(14.31)	-	-	(13.21)
Total	10,027.63	609.64	1.68	(2,859.69)	7,779.26
Net defined tax liabilities recognised	5,600.16	363.87	(65.50)	(2,859.69)	3,038.84

41 PAYMENTS TO AUDITORS

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
a) Statutory Audit	15.50	15.50
b) Reimbursement of expenses	0.64	0.44
Total	16.14	15.94

42 SEGMENT INFORMATION

The Company is mainly engage in the business of manufacturing of pharmaceutical product and wind power generation. The formulation and product development are inter related and integral part of business of "pharmaceutical products". In accordance with the provisions of IND AS - 108 power segment is not falling in the prescribed limit specified, hence segment reporting is not applicable.

(a) Information about Products and Services:

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Pharmaceutical product and services	79,094.65	64,557.88
Power sales	598.99	581.84
others	903.47	1,248.16
Total	80,597.11	66,387.88

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

(b) Information about geographical areas

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
(i) Revenues		
(A) Within India	28,676.71	26,632.76
(B) Outside India		
(i) USA	19,157.76	15,586.94
(ii) Europe	14,770.09	14,672.57
(iii) Rest of the world	17,992.55	9,495.61
Total	80,597.11	66,387.88

Particulars	As at 31st March, 2020	As at 31st March, 2019
ii) Non-current Assets		
(A) Within India	91,345.43	97,944.99
Total	91,345.43	97,944.99

Note: Non-current assets excludes financial assets

(c') Information about major customer

The Company has three customers who contributed more than 10% of the Company's total revenue during the current year and two customers during the previous year.

43 OPERATING LEASE

The Company has entered into lease agreements for use of land for its production and R&D facility which expires over a period. Future minimum lease payments and payment profile of non-cancellable operating leases are as under:

(a) Land

Particulars	As at 31 March, 2020	As at 31 March, 2019
Not later than one year	33.48	37.99
Later than one year and not later than five year	133.90	151.96
Later than five years	1,914.57	2,287.75
Total	2,081.95	2,477.70

(b) Building

Particulars	As at 31 March, 2020	As at 31 March, 2019
Not later than one year	19.10	92.23
One to Five Year	35.66	-
Total	54.76	92.23

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

44 FOREIGN EXCHANGE EARNINGS AND OUTGO

(i) Earning in Foreign Currency

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Products & Services	51,909.87	39,755.12
Others	154.17	113.42
Total	52,064.04	39,868.54

(ii) Expenditure in foreign currency

Import of raw material	18,995.73	16,332.25
Others	2,381.53	1,346.20
Total	21,377.26	17,678.45

(iii) Dividend remitted in foreign currency

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
(a) Number of share holders	1	-
(b) Number of equity shares held		
(i) 2018-19	-	-
(ii) 2019-20	6,000,000	-
(c) Amount of dividend paid		
(i) 2018-19	-	-
(ii) 2019-20	126.00	-

45 RELATED PARTY TRANSACTIONS

Related parties where control exists and related parties with whom transactions have taken place during period 01st April 2019 to 31st March 2020 are listed below ;

List of Related Parties

1. Associates

- Reva Pharmachem Pvt. Ltd.
- Maia Pharmaceuticals INC. USA
- Raichem Medicare Pvt. Ltd.

2. Subsidiaries

- Zatortia Holdings Ltd. (Wholly- owned Subsidiary)
- Loba Feinchemie GmbH (Step-down Subsidiary)
- Shilpa Therapeutics Pvt. Ltd. (Wholly-owned Subsidiary)
- INM Technologies Pvt. Ltd. (Subsidiary)
- INM Nuvent Paint Pvt Limited (Step-down Subsidiary)
- Koanna Healthcare Ltd. U.K (Wholly-owned Subsidiary)
- Koanna Healthcare GmbH. Austria (Wholly- owned Subsidiary)
- Makindus LLC. USA. (Subsidiary)
- Shilpa Pharma Inc. (Wholly-owned Subsidiary)
- Shilpa Albumin Pvt. Ltd. (Wholly-owned Subsidiary) (w.e.f. 09.01.2020)
- Shilpa Biologicals Pvt. Ltd. (Wholly-owned Subsidiary) (w.e.f. 09.01.2020)

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

3. Joint Venture (JV)

- a) Reva Medicare Pvt. Ltd.
- b) Sravathi Advance Process Technologies Pvt. Ltd. (w.e.f. 22.06.2019)

4. (i) Key Management Personnel-(KMP)

- a) Vishnukant C. Bhutada - Managing Director
- b) Sushil Bajaj - Chief Financial Officer
- c) Madhusudhan Reddy - Company Secretary (Resigned w.e.f. 04.04.2019)
- d) V.V. Krishna Chaitanya - Company Secretary (Appointed w.e.f. 10.09.2019)
- e) Kalakota Sharath Reddy - Whole Time Director (Appointed w.e.f. 01.10.2019)

(ii) Remuneration paid to Directors

- a) Omprakash Inani - Non-executive Director
- b) Ajeet Singh Karan-Independent Director (Resigned w.e.f. 15.04.2019)
- c) Carlton Felix Pereira-Independent Director (Retired w.e.f. 30.09.2019)
- d) Pramod Kasat-Independent Director
- e) Rajender Sunki Reddy-Independent Director
- f) N.P.S Shinh-Independent Director (Retired w.e.f. 30.09.2019)
- g) Namrata Bhutada- Non-executive Director (Resigned w.e.f. 27.05.2019)
- h) Amit Chander - Independent Director (Appointed w.e.f. 01.04.2019)
- i) Sirisha Chintapalli - Independent Woman Director (Appointed w.e.f. 01.04.2019)
- j) Piyush Goenka - Independent Director (Appointed w.e.f. 09.11.2019)

5. Relatives

- a) Deepak Kumar Inani
- b) Keshav Bhutada
- c) Madhav Bhutada
- d) Triveni Inani

6. Enterprises having common Directors/ Board of Trustees

- a) Shilpa Foundation
- b) Mohini Infra (P) Ltd

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Sl. No.	Name of the related party	Relationship	Description of transaction	01 April, 2019 to 31 March, 2020 (Income) / Expenses / Other Transaction	Balance as at 31 March, 2020 Payable / (Receivable)	01 April, 2018 to 31 March, 2019 (Income) / Expenses / Other Transaction	Balance as at 31 March, 2019 Payable / (Receivable)
A Remuneration paid to Key Management Personnel							
i)	Vishnukant.C. Bhutada	Managing Director	Salary and perquisites*	991.98	469.52	746.98	379.12
ii)	Kalakota Sharath Reddy	Whole Time Director	Salary and perquisites	52.62	4.85	-	-
iii)	Sushil Bajaj	Chief Financial Officer	Salary and perquisites	46.00	2.15	42.77	2.33
iv)	Madhusudhan Reddy	Company Secretary	Salary and perquisites	0.06	-	6.73	0.47
v)	V.V. Krishna Chaitanya	Company Secretary	Salary and perquisites	4.08	0.44	-	-
B Remuneration paid to other Directors							
i)	Omprakash Inani	Non-executive Director	Sitting Fees	0.40	-	0.20	-
ii)	Ajeet Singh Karan	Independent Director	Sitting Fees	-	-	0.40	-
iii)	Carlton Felix Pereira	Independent Director	Sitting Fees	0.20	-	0.40	-
iv)	Pramod Kasat	Independent Director	Sitting Fees	0.40	-	0.30	-
v)	Rajender Sunki Reddy	Independent Director	Sitting Fees	0.40	-	0.20	-
vi)	N.P.S Shinh	Independent Director	Sitting Fees	-	-	0.20	-
vii)	Namrata Bhutada	Non-executive Director	Sitting Fees	-	-	0.30	-
viii)	Amit Chander	Independent Director	Sitting Fees	0.40	-	-	-
ix)	Sirisha Chintapalli	Independent Woman Director	Sitting Fees	0.40	-	-	-
x)	Piyush Goenka	Independent Director	Sitting Fees	0.20	-	-	-
C Relative							
i)	Deepak Kumar Inani	Relative to Director	Salary and perquisites	36.88	2.43	29.72	2.33
ii)	Keshav Bhutada	Relative to Managing Director	Salary and perquisites	16.48	0.96	13.10	0.87
iii)	Madhav Bhutada	Relative to Managing Director	Salary and perquisites	16.48	0.96	13.10	0.87
iv)	Keshav Bhutada	Relative to Managing Director	Rent	4.41	1.03	4.15	-

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Sl. No.	Name of the related party	Relationship	Description of transaction	01 April, 2019 to 31 March, 2020 (Income) / Expenses / Other Transaction	Balance as at 31 March, 2020 Payable / (Receivable)	01 April, 2018 to 31 March, 2019 (Income) / Expenses / Other Transaction	Balance as at 31 March, 2019 Payable / (Receivable)
v)	Madhav Bhutada	Relative to Managing Director	Rent	4.41	1.03	4.15	-
vi)	Triveni Inani	Relative to Director	Rent	3.12	1.17	3.21	-
D Others							
i)	Koanna Healthcare GmbH, Austria	Wholly-owned Subsidiary	Sales of Goods or Service	(139.50)	-	(252.72)	-
			Interest Income	(106.12)	-	(77.18)	-
			Loan Receivable	-	(3,387.99)	-	(3,001.30)
			Trade Receivable	-	(64.91)	-	(186.66)
			Trade Payable	-	-	-	0.58
			Interest accrued but not received	-	(106.12)	-	-
ii)	Koanna Healthcare Ltd, United Kingdom	Wholly-owned Subsidiary	Interest Income	(27.89)	-	(29.40)	-
			Sales of Goods or Service	(3,525.00)	-	-	-
			Loan Receivable	-	(418.12)	-	(712.84)
			Advance from Customer	-	566.29	-	-
			Interest accrued but not received	-	(27.89)	-	-
iii)	Shilpa Therapeutics Pvt. Ltd.	Wholly-owned Subsidiary	Purchases of goods / service	1.42	-	2.75	-

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Sl. No.	Name of the related party	Relationship	Description of transaction	01 April, 2019 to 31 March, 2020 (Income) / Expenses / Other Transaction	Balance as at 31 March, 2020 Payable / (Receivable)	01 April, 2018 to 31 March, 2019 (Income) / Expenses / Other Transaction	Balance as at 31 March, 2019 Payable / (Receivable)
			Purchases of Capital goods	12.07	-	-	-
			Sales of Goods or Service	(3.25)	-	(421.54)	-
			Sales of Capital Goods	(43.62)	-	-	-
			Interest Income (Loan)	(397.33)	-	(178.02)	-
			Interest Income (Preference shares)	(3.20)	-	(3.20)	-
			Expenses incurred on behalf of the related party	(0.12)	-	-	-
			Corporate Guarantees to Banks ***	-	(200.00)	-	(200.00)
			Trade Receivable	-	(9.12)	-	(16.11)
			Loan Receivable	-	(5,208.55)	-	(3,497.02)
			Trade Payable	-	307.35	-	-
			Advance against purchase	-	(0.20)	-	-
			Interest Receivable/ accrued (Loan)	-	(357.60)	-	-
			Interest Receivable/ accrued (Preference shares)	-	(19.21)	-	(16.01)

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Sl. No.	Name of the related party	Relationship	Description of transaction	01 April, 2019 to 31 March, 2020 (Income) / Expenses / Other Transaction	Balance as at 31 March, 2020 Payable / (Receivable)	01 April, 2018 to 31 March, 2019 (Income) / Expenses / Other Transaction	Balance as at 31 March, 2019 Payable / (Receivable)
iv)	Zatortia Holdings Limited	Wholly-owned Subsidiary	Advances	-	(1.25)	-	(1.17)
v)	INM Technologies Pvt. Ltd.	Subsidiary	Purchases of goods / service	44.35	-	171.33	-
			Purchases of Capital goods	1,045.15	-	-	-
			Expenses incurred on behalf of the related party	-	-	(1.42)	-
			Expenses incurred by related party on behalf of Shilpa	5.84	-	-	-
			Sales of Goods or Service	(3.24)	-	(8.01)	-
			Interest Income (Preference shares)	(260.30)	-	(260.30)	-
			Trade Receivable	-	(0.01)	-	(12.16)
			Trade Payable	-	285.02	-	90.24
			Interest Receivable/ accrued (Preference shares)	-	(924.11)	-	(663.81)

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Sl. No.	Name of the related party	Relationship	Description of transaction	01 April, 2019 to 31 March, 2020 (Income) / Expenses / Other Transaction	Balance as at 31 March, 2020 Payable / (Receivable)	01 April, 2018 to 31 March, 2019 (Income) / Expenses / Other Transaction	Balance as at 31 March, 2019 Payable / (Receivable)
vi)	INM Nuvent Paints Private Limited	Step-down Subsidiary	Purchases of goods / service	23.36	-	12.03	-
			Purchases of Capital Goods	2.56	-	-	-
			Sales of Goods or Service	(0.01)	-	(21.48)	-
			Sales of Capital Goods	(0.12)	-	-	-
			Expenses incurred on behalf of the related party	(0.35)	-	-	-
			Trade Receivable	-	-	-	(0.06)
			Trade Payable	-	1.94	-	-
vii)	Loba Feinchemie, GmbH.	Step-down Subsidiary	Expenses incurred on behalf of the related party	(36.07)	-	-	-
			Trade Receivable	-	(12.06)	-	-
viii)	Raichem Medicare Pvt. Ltd.	Associates	Purchases of goods / service	-	-	731.10	-
			Sales of Goods or Service	-	-	(1,179.02)	-
			Interest Income (Loan)	-	-	(38.38)	-

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Sl. No.	Name of the related party	Relationship	Description of transaction	01 April, 2019 to 31 March, 2020 (Income) / Expenses / Other Transaction	Balance as at 31 March, 2020 Payable / (Receivable)	01 April, 2018 to 31 March, 2019 (Income) / Expenses / Other Transaction	Balance as at 31 March, 2019 Payable / (Receivable)
			Trade Receivable	-	-	-	(26.43)
			Trade Payable	-	141.50	-	141.50
			Corporate Guarantees to Banks **	-	(4,000.00)	-	(4,000.00)
ix)	Reva Pharmachem Pvt. Ltd.	Associates	Expenses incurred on behalf of the related party	-	-	(0.08)	-
			Support services	(3.00)	-	(3.00)	-
			Interest Income	(4.74)	-	(16.69)	-
			Loan Receivable	-	-	-	(105.01)
			Trade Receivable	-	(0.87)	-	(0.87)
x)	Reva Medicare Pvt. Ltd.	Joint Venture	Commission	405.85	-	188.16	-
			Support services	(1.00)	-	(1.00)	-
			Trade Payable	-	288.21	-	83.47
			Trade Receivable	-	(0.29)	-	(0.29)
xi)	Maia Pharmaceuticals INC. USA	Associates	Trade Receivable	-	(181.88)	-	(166.89)

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Sl. No.	Name of the related party	Relationship	Description of transaction	01 April, 2019 to 31 March, 2020 (Income) / Expenses / Other Transaction	Balance as at 31 March, 2020 Payable / (Receivable)	01 April, 2018 to 31 March, 2019 (Income) / Expenses / Other Transaction	Balance as at 31 March, 2019 Payable / (Receivable)
xii)	Shilpa Pharma INC. USA	Wholly-owned Subsidiary	Interest Income	(25.86)	-	(6.85)	-
			Interest accrued but not received	-	(20.07)	-	-
			Loan Receivable	-	(603.09)	-	(283.53)
xiii)	Sravathi Advance Process Technologies Pvt. Ltd.	Joint Venture	Interest Income	(2.21)	-	-	-
xiv)	Shilpa Albumin Pvt. Ltd.	Wholly-owned Subsidiary	Expenses incurred on behalf of the related party	(2.37)	-	-	-
			Other Receivable	-	(0.01)	-	-
xv)	Shilpa Biologicals Pvt. Ltd.	Wholly-owned Subsidiary	Expenses incurred on behalf of the related party	(26.80)	-	-	-
			Other Receivable	-	(26.80)	-	-
xvi)	Shilpa Foundation	Trust in which key management are the board of trustees	Corporate Social Responsibility Expenses	326.33	-	293.91	-
			Expenses incurred on behalf of the related party	(0.60)	-	-	-

Notes Forming Part of Standalone Financial Statement

for the year ended 31 March, 2020

(All amounts are in Indian Rupees in Lakhs, except share data and per share data, unless otherwise stated)

Sl. No.	Name of the related party	Relationship	Description of transaction	01 April, 2019 to 31 March, 2020		01 April, 2018 to 31 March, 2019		Balance as at 31 March, 2019 Payable / (Receivable)
				(Income) / Expenses / (Receivable)	Other Transaction	(Income) / Expenses / (Receivable)	Other Transaction	
xvii)	Mohini Infra (P) Ltd	Company in which key management are the board of director	Godown Rent	8.22	-	14.64	-	-
			Trade Payable	-	0.70	-	-	0.47

a) The above disclosures include related parties as per Ind AS 24 on "Related Party Disclosures" and Companies Act, 2013.

b) As the provisions for gratuity are obtained on an actuarial basis for the Company as a whole amounts pertaining to the Key Management Personnel are not specifically identified and hence not included in the above.

*payable includes commission provision (net)

** the outstanding liabilities against corporate guarantee given to banks on behalf of Raichem Medicare Pvt Ltd is for the financial period ended 31.03.2020 is NIL (P.Y. ₹402.47)

*** the outstanding liabilities against corporate guarantee given to banks on behalf of Shilpa Therapeutics Pvt. Ltd. is for the financial period ended 31.03.2020 is NIL (P.Y. ₹5.31)

- 46 A sum of ₹ 547.98 lakhs is payable to Micro, Small and Medium Enterprises as at 31 March, 2020 (₹ 829.87 lakhs as at 31 March, 2019). There are no Micro, Small and Medium Enterprises, to whom the Company overdues, which are outstanding for more than 45 days during the year and also as at 31 March, 2020. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act has been determined to the extent such parties has been identified on the basis of information available with the Company and relied upon by the Auditors.
- 47 Out of the sum of ₹ 41.78 lakhs (P.Y. ₹ 42.67 lakhs) the Company is in the process of filing appeal before the Karnataka Appellate Tribunal for refund of input tax paid on Capital Goods amounting to ₹ 26.48 lakhs (P.Y. ₹ 26.48 lakhs) and ₹ 2.43 lakhs (P.Y. ₹ 2.43 lakhs) paid on regular consumable items which in its opinion are allowable under the Act, however disallowed by the assessing authority under Karnataka Value Added Tax Act, 2003. The same is shown under note 07b(ii)
- 48 During the previous year, the Company sold its 24% investment in Equity shares of Raichem Medicare Private Limited ("RMPL")(Joint Venture) and entered into a sale agreement to dispose off its balance Equity Shares. The Company is in the process of seeking necessary regulatory approval and the sale is expected to be completed in the near future. Accordingly, it has been presented as non-current assets held for sale(refer note 1.1(f)). The Carrying value as on 31 March, 2020 is ₹ 789.19 Lakhs.

49 Discontinued Operations:

Sale of Biologics business

Consequent to the approvals received from the Board of Directors on February 24, 2020 and from the shareholders on March 30,2020, the Company has transferred the business undertaking related to Biological unit under construction/installation by way of slump sale to its wholly owned subsidiary Shilpa Biologicals Private Limited effective March 30, 2020, for a consideration of ₹ 33,660.00 Lakhs. Gain on disposal of assets/liabilities amounting to ₹ 3,685.03 Lakhs has been disclosed under the discontinued operations

The combined results of the discontinued operations of the activity disposed-off, are set out below. The comparative profit/(loss) from discontinued operations have been presented in the Statement of profit and loss account as if these operations were discontinued in the prior year as well.

Details of assets and liabilities disposed off, and the calculation of profit or loss on disposal are explained below:

Particulars	As at 31 March 2020
i) Consideration	
Consideration receivable in cash and cash equivalents	33,660.00
Total consideration	33,660.00
(ii) Carrying value of assets and liabilities as on the date of disposal	
Non-current assets	34,596.68
Current assets	2,785.65
Total assets	37,382.33
Non-current liabilities	4,781.27
Current liabilities	2,626.10
Total liabilities	7,407.37
Net assets disposed off	29,974.96
(iii) Gain on disposal	
Consideration receivable	33,660.00
Net Assets disposed off	29,974.96
Gain on disposal	3,685.04

- 50** In March, 2020, the World Health Organisation declared COVID-19 to be pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Company has considered internal and external information while finalising various estimates in relation to its financial statement captions up to the date of approval of financial statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.
- 51** Balance of trade receivables/ trade payables/advances and security deposits are subject to confirmation
- 52** Figures of the previous year have been re-grouped/recalssified wherever necessary to confirm to current year's classification.

As per our report of event date attached
for **Brahmayya & Co.,**
Chartered Accountants
Firm's Registration No. 000513S

For and on behalf of the Board of Directors of
Shilpa Medicare Limited

K. Shravan
Partner
M.No. 215798

Omprakash Inani
Chairman
DIN : 01301385

Vishnukant C. Bhutada
Managing Director
DIN : 01243391

Place : Raichur
Date : 15 June, 2020

 **Sushil Bajaj**
Chief Financial Officer
M.No. 206501

V.V. Krishna Chaitanya
Company Secretary
M.No. 49415