NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 -Continued..
All amounts are in Rs. lakhs unless otherwise stated

1 Corporate Information

The Standalone financial statements comprise financial statements of Gufic Biosciences Limited (the company) for the year ended March 31, 2019. The company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at 37, 1st Floor, Kamala Bhavan II, Swami Nityanand Road, Andheri (East), Mumbai - 400 069 and the corporate office is located at 1st to 4th Floor, S.M. House, 11 Sahakar Road, Vile Parle (East), Mumbai – 400 057.

The Company is principally engaged in manufacturing and marketing of active pharmaceutical ingredients, generic pharmaceuticals and related services. These financial statements were authorized for issue in accordance with the resolution of the Directors on May 31, 2019 and are subject to the approval of the shareholders at the Annual General Meeting.

2 Significant Accounting Policies

2.1 Statement of Compliance

The Standalone financial statements of the company have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as ammended by the Companies (Indian Accounting Standard) (Amendment) Rules, 2017.

Accounting policies have been constantly applied except where a newly issued accounting standards is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

As the quarter and year figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year-end figures reported in this statement.

2.2 Basis of preparation and presentation

2.2.1 Historical cost convention

The Standalone financial statements have been prepared on accrual basis and under the historical cost basis, except for certain financial instruments and defined benefit plans that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Company's Board of Directors approves the financial statements for issue on May 31, 2019. The aforesaid financial statement have been prepared in Indian Rupee (INR) which is the functional currency for the Company.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs.

2.2.2 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.2.3 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act and Ind AS 1 Presentation of financial statements.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

Assets: An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within twelve months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities: A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets/ liabilities are classified as non-current.

2.3 Revenue recognition

Revenue is measured on at the fair value of the consideration received or receivable and recognised as follows:

(i) Sale of Goods Followed till March 31, 2018

Revenue from the sale of goods is recognised when the goods are delivered and the titles have passed, at which time all the conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company, and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sale of products, has been recogniesd, net of discounts, sales incentives, rebates granted, returns, sales taxes and duties. Sale of products is presented gross of manufacturing taxes like excise duty wherever applicable.

Followed from April 1, 2019

Ind AS 115 "Revenue from contracts with customers" was issued on March 28, 2018 and supersedes Ind AS 11 "Construction Contracts" and Ind AS 18 "Revenue" and it applies, with limited exceptions, to all revenue arising from contracts with its customers. The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of April 01, 2018 which does not require restatement of comparative period. The Company elected to apply the standard to all contracts as at April 01, 2018. There is no impact to be recognised at the date of initial application as an adjustment to the opening balance of retained earnings.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, since it is the primary obligor in all of its revenue arrangement, as it has pricing latitude and is exposed to inventory and credit risks. Revenue is stated net of goods and service tax and net of returns, charge backs, rebates and other similar allowances. These are calculated on the basis of historical experience and the specific terms in the individual contracts.

In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). The Company estimates variable consideration at contract inception until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Sales Return

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

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

(ii) **other Operating Revenue**

Export Incentives under various schemes are accounted in the year of export.

(iii)**Interest and dividend income:**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

2.4 Foreign currencies

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

The transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.6 Employee benefits

2.6.1 Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

2.6.2 Post-Employment Benefits:

I. Defined Contribution plans:

Employee benefits in the form of contribution to Provident Fund, Employees State Insurance Corporation and Labour Welfare Fund are considered as defined contribution plan and the same is charged to the statement of profit and loss for the year when the contributions to the respective funds are due.

Recognition and measurement of defined contribution plans:

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

II. Defined Benefit plans:

Gratuity scheme:

The Company operates a defined benefit gratuity plan for employees. The Company contributes to a separate entity (a fund), towards meeting the Gratuity obligation.

Recognition and measurement of Defined Benefit plans:

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

III. Other Long Term Employee Benefits:

The company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for furture encashment. Compensated absences are provided for on the basis of an actuarial valuation, using the projected unit credit method, as atthe date of the balance sheet. Actuarial gains / losses, if any, are immediately recognised in the statement of profit and loss.

2.7 Income Tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

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

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

Minimum Alternative Tax ("MAT") credit forming part of deferred tax asset is recognised as an asset only when and to the extent there is reasonable certainty that the company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT Credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the company will pay normal income tax during the specified period.

2.8 Property, plant and equipment

These are carried at cost of acquisition net of any discounts and rebates and depreciated in accordance with the policy stated below:

These are amortised over the useful economic life and assessed for impairment whenever there is an indication that the asset may be impaired. The amortisation period and the amortisation method for an asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on assets with finite lives is recognised in the statement of profit and loss.

When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is recognised on the cost of assets (other than freehold land and Capital work-in-progress) less their residual values on straight-line method over their useful lives as indicated in Part C of Schedule II of the Companies Act, 2013. Capital Expenditure incurred on the assets not owned by the company are amortised over a period of five years, whichever is shorter. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

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

2.9 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Estimated useful lives of the intangible assets are as follows; Brands and Technical Know-how are amortised on a straight line basis over a period of ten years. Software cost is amortised on Straight line basis over a period of three years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal, Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.11 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

(i) Raw materials and Packing Material : purchase cost on a first in, first out basis

(ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

(iii) Traded goods are valued on First in First Out basis.

(iv) Consumable stores are charged to the profit and loss account in the year of its purchases.

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

The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis

2.12 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2017, the date of inception is deemed to be April 1 ,2016 in accordance with Ind-AS 101 First-time Adoption of Indian Accounting Standard.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the compnay is classified as a finance lease. All other leases are classified as operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern in which the benefit is derived from the leased asset; or payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

The Company as lessor:

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as lessee:

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.14 Cash and Cash Equivalents

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

2.15 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

2.16 Financial Assets

Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

Subsequent measurement:

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)

- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income FVTOCI

Effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Debt instruments at amortised cost :

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

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

This category is the most relevant to the company After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any scount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to **Note 15.**

Debt instrument at FVTOCI

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

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company decides to classify the same either as at FVTOCI or FVTPL. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the company standalone balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the compnay's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

(b) Financial assets that are debt instruments and are measured as at FVTOCI

(c) Lease receivables under Ind-AS 17

(d) Financial guarantee contracts which are not measured as at FVTPL

The company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables and
- All lease receivables resulting from transactions within the scope of Ind-AS 17

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

o All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

o Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected in a separate line in the P&L as an impairment gain or loss. The balance sheet presentation for various financial instruments is described below:

- *Financial assets measured as at amortised cost, contract assets and lease receivables:* ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.
- *Loan commitments and financial guarantee contracts:* ECL is presented as a provision in the balance sheet, i.e. as a liability.
- *Debt instruments measured at FVTOCI:* Since financial assets are already reflected at fair value, impairment allowance is not

further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

2.17 Financial liabilities and equity instruments

Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

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

Derecognition

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

Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when the compnay either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original Classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference betweenprevious amortized cost and fair value is recognised in P&L.
FVTPL carrying	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No. change inNo EIR due to reclassification.
FVOCI	Amortised Cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.

Offsetting of financial instruments

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

2.18 Segment Reporting:

The Company's Performance are not separately evaluated by the the Board of Directors, which are considered as the Chief Operating Decision Maker (CODM) and hence the total business needs to be treated as one operating segment only.

2.19 Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

3 Application of new Revised Ind AS

Standards issued but not yet effective and not early adopted by the Company

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies Indian Accounting Standards) Second Amendment Rules, 2019 introducing /amending the standards:

3.1 Ind AS 116 Leases:

Ind AS 116 Leases has been notified on March 30, 2019, and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April, 01 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

Ind AS 116, which is effective for annual periods beginning on or after 1 April 2019, requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company is evaluating the requirements of the standard and it's effect on its financials.

3.2 Ind AS 12 – Income taxes (amendments relating uncertainty over income tax treatments):

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the : (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company is evaluating the impact on its financial statements.

3.3. Ind AS 109: Prepayment Features with Negative Compensation: (TO remove as not relevent to us)

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after April 01, 2019. The Company is evaluating the impact on its financial statements.

3.4 Ind AS 19 – Plan Amendment, Curtailment or Settlement :

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company is evaluating the impact on its financial statements.

Annual amendments to Ind AS

3.5 Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company is evaluating the impact on its financial statements.

3.6 Ind AS 12: Income Taxes (amendments relating to income tax consequences of dividend)

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

4. Critical estimates and judgements

In the course of applying the policies outlined in all notes under section 2 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

4.1 Key sources of estimation uncertainty

i. Useful lives of property, plant and equipment and intangible assets

Management reviews the useful lives of property, plant and equipment and intangible assets at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the management.

ii. Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances, which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

iii.Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

iv. Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

v. Income Taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. A tax assessement can involve complex issues, which can only be resolved over extended time periods. The recognisation of taxes that are subject to certain legal or economic limits or uncertainities is assessed individually by the managment based on the specific facts and circumstances.

vi.Defined Benefit Obligations

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in **Note 40**, 'Employee benefits'.

vii.Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management seems them not collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

The impairment provisions for financial assets are based on assumption about risk of default and expected loss rates. Judgement in making these assumption and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

viii. Impairment reviews

An impairment exists when the carrying value of an asset or cash generating unit ('CGU') exceeds its recoverable amount. Recoverable amount is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. In calculating the value in use, certain assumptions are required to be made in respect of highly uncertain matters, including

management's expectations of growth in EBITDA, long term growth rates; and the selection of discount rates to reflect the risks involved.

NOTE 6. Property, plant and equipment

₹ in Lakhs

Description of assets	Factory Building	Plant & Equipment	Plant & Equipment (R&D)	Furniture & Fixture	Vehicles	Office Equipment	Electrical Installation	Computer	Total
Deemed Cost									
As at April 1, 2017 (Note 5.3)	**121.90**	**1,749.06**	**135.33**	**19.54**	**302.02**	**106.43**	**75.09**	**79.99**	**2,589.36**
Additions		35.74	324.39		-	80.10		13.00	453.23
Disposales / reclassifications								(3.44)	(3.44)
As at March 31, 2018	**121.90**	**1,784.80**	**459.72**	**19.54**	**302.02**	**186.53**	**75.09**	**89.55**	**3,039.15**
Additions	2.70	46.75	179.96	12.61	-	246.39		136.50	624.90
Disposales / reclassifications								(5.98)	(5.98)
As at March 31, 2019	**124.60**	**1,831.55**	**639.68**	**32.15**	**302.02**	**432.92**	**75.09**	**220.07**	**3,658.08**
Accumulated Depreciation									
As at April 1, 2017	**34.73**	**217.27**	**9.36**	**4.63**	**38.22**	**26.16**	**15.75**	**25.92**	**372.05**
Depreciation expense for the year	38.80	242.30	18.89	2.97	49.30	38.21	12.43	28.13	431.03
Eliminated on disposal of assets/reclassification								(2.46)	(2.46)
As at March 31, 2018	**73.53**	**459.57**	**28.25**	**7.60**	**87.52**	**64.37**	**28.18**	**51.59**	**800.62**
Depreciation expense for the year	23.58	233.72	36.06	3.11	36.90	70.46	9.16	41.77	454.77
Eliminated on disposal of assets/reclassification								(5.48)	(5.48)
As at March 31, 2019	**97.11**	**693.29**	**64.31**	**10.71**	**124.42**	**134.83**	**37.34**	**87.88**	**1,249.90**
As at March 31, 2019	**27.49**	**1,138.25**	**575.38**	**21.44**	**177.60**	**298.08**	**37.75**	**132.19**	**2,408.18**
As at March 31, 2018	**48.37**	**1,325.23**	**431.47**	**11.94**	**214.50**	**122.16**	**46.91**	**37.96**	**2,238.52**

5.1 Impairment losses recognised in the year

There are no impairment losses recognised during the year.

5.2 Assets pledged as security

5.2.1 : Plant and Equipments, Plant & Equipments (R & D), Furniture and Fixture, office equipments, Electrical Installations and Computers having carrying value of ₹. 2203.10 lakhs (as at March 31, 2018: ₹. 1975.65 lakhs) have been pledged to secure borrowings of the Company (see note 19). The Company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity, except items specifically pledged to others

5.2.2 : Vehicles having carrying value of ₹. 177.60 lakhs (as at March 31, 2018: ₹. 214.50 lakhs) have been hypothecation by way of first charge on the vehicles acquired under the specific facility granted.

5.2.3 : Computers having carrying value of ₹. 0.83 lakhs (as at March 31, 2018: ₹. 4.15 lakhs) have been obtained on Finance Lease and hypothecated accordingly

5.3 The Opening balance includes Fixed Asset aquired as part of business combination , Refer Note no. 47

NOTE 6. Other intangible assets

Description of assets	Computer Software	Technical Know How	Brand	Goodwill	Total
Deemed cost					
As at April 1, 2017 (Note 6.1)	**-**	**2.13**	**42.62**	**2.80**	**47.55**
Additions	13.68	-	-	-	13.68
Disposals/ reclassifications	-	-	-	-	-
As at March 31, 2018	**13.68**	**2.13**	**42.62**	**2.80**	**61.23**
Additions	-	-	-	-	-
Disposals/ reclassifications	-	-	-	-	-
As at March 31, 2019	**13.68**	**2.13**	**42.62**	**2.80**	**61.23**
Accumulated Depreciation					
As at April 1, 2017	**-**	**1.06**	**4.70**	**-**	**5.76**
Depreciation expense for the year	2.90	1.05	4.98	-	8.93
Eliminated on disposal of assets/ reclassifications	-	-	-	-	-
As at March 31, 2018	**2.90**	**2.11**	**9.69**	**-**	**14.70**
Depreciation expense for the period	4.33	0.02	4.98	0.56	9.90
Eliminated on disposal of assets/ reclassifications	-	-	-	-	-
As at March 31, 2019	**7.23**	**2.13**	**14.67**	**0.56**	**24.59**
As at March 31, 2019	**6.45**	**0.00**	**27.95**	**2.24**	**36.64**
As at March 31, 2018	**10.78**	**0.02**	**32.93**	**2.80**	**46.53**

6.1 The Opening balance includes Fixed Asset aquired as part of business combination , **Refer Note no. 47**

NOTE 7. Capital Workin Progress

Description of assets	As at March 31, 2019	As at March 31, 2018
Deemed cost		
Opening	205.03	3.60
Additions	757.59	205.03
Reclassifications	-	(3.60)
TOTAL	**962.62**	**205.03**

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NOTE 8. Other investments

Non-current

Particulars	As at March 31, 2019		As at March 31, 2018	
	Qty	Amount	Qty	Amount
Non Trade				
Unquoted (at FVTOCI) (i) Equity Instruments - Saraswat Co-op Bank Ltd	4,990	0.50	4,990	0.50
TOTAL AGGREGATE UNQUOTED INVESTMENTS		**0.50**		**0.50**
TOTAL NON-CURRENT INVESTMENTS		**0.50**		**0.50**
Aggregate carrying amount of unquoted investments		**0.50**		**0.50**

NOTE 9. Loans (Unsecured, considered good unless stated otherwise)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
(a) Deposit with Related Parties (Refer note 38)	422.11	266.68
(b)Loan to staff	1.31	-
Total	**423.42**	**266.68**
Current		
Loans to Staff	3.02	1.43
Total	**3.02**	**1.43**

Note: These financial assets are carried at amortised cost. No loans are due from directors or other officers of the Company either severally or jointly with any other person. **Refer Note No. 38** for dues from related parties.

NOTE 10. Other Financial Assets(Unsecured, considered good unless stated otherwise)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current Security Deposits (at Amortised Cost)	359.71	298.97
Total	**359.71**	**298.97**

NOTE 11. Deferred Tax : Deferred Tax Relates to the following :

Particulars	Balance Sheet		Profit & Loss	
	As at March 31, 2019	As at March 31,2018	For the year ended March 31,2019	For the year ended March 31,2018
Property, plant and equipment	(290.28)	(274.17)	(1.53)	(75.37)
Borrowing Cost	(7.34)	(3.73)	(3.60)	2.06
Trade Receivables	126.08	204.53	(23.89)	84.56
Employee benefits **(net of OCI)**	89.44	186.21	(123.42)	63.91
Provision for Sales	93.01	102.90	(9.89)	(221.80)
MAT Credit	5.74	5.74	-	-
Other items	52.32	59.36	(19.74)	26.21
Deferred Tax Expense/(Income) in Statement of Profit and Loss				
Net Deferred Tax Assets/(Liabilities)	**68.96**	**280.83**	**(182.07)**	**(120.43)**

Reflected in the Balance Sheet as Follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	366.59	558.73
Deferred tax liabilities	(297.62)	(277.90)
Net	**68.96**	**280.83**

Reconciliation of Deferred Tax Assets/(Liabilities) (net):

Particulars	For the year ended March 31,2019	For the year ended March 31,2018
Opening Balance	**280.83**	**401.25**
Tax Income during the Period recognised in Statement of Profit & Loss	(182.07)	(120.43)
Less: Deferred Tax Effect on Reversal of		
Notional Interest on Capital Contribution	(29.80)	-
Closing Balance	**68.96**	**280.83**

NOTE 12. Other Assets (Unsecured, considered good unless stated otherwise)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
(I) Capital Advances		
Cosidered Good	191.78	265.90
Cosidered doubtful	24.82	-
	216.61	265.90
Less : Allowance for doubtful debts	(24.82)	-
	191.78	**265.90**
(ii) Others		
(a) Balances with Statutory/Revenue Authorities like excise, customs, service tax and value added tax, Goods & service tax etc.	41.32	41.39
(b) Prepaid Expenses		
- For Leave & Lisence Agreement factory building office premises	176.88	173.13
- Finance Charges	28.82	37.47
(d) Others		
- Others	3.78	127.83
Total	**442.58**	**645.72**
Current		
(I) Advances other than Capital Advances		
- Employees Imprest Advance	289.01	259.64
- to Related Parties **(Refer Note 38)**	691.24	348.35
Total	**980.25**	**607.98**
(ii) Others		
Advance to Vendors		
Unsecured, cosidered Good	370.56	381.87
Unsecured, cosidered doubtful	14.17	-
	384.73	381.87
Less : Allowance for doubtful debts	(14.17)	-
	370.56	**381.87**
Balances with Statutory/Revenue Authorities like excise, customs, service tax and value added tax, Goods and service tax etc.	1,281.80	541.44
Cenvat Recoverable	20.82	20.69
Prepaid Expenses	32.36	16.43
Others	56.55	0.91
Total	**2,742.34**	**1,569.32**

NOTE 13. Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
Inventories (lower of cost and net realisable value)(As verified, valued and certified by the Management)		
a) Raw Materials	3,026.07	1,781.17
b) Work-in-Process	3,245.88	1,829.43
c) Finished Goods	1,687.76	4,248.82
d) Packing Materials	738.01	588.97
e) Stock-in-Trade	689.28	971.72
f) Consumables	41.46	-
Total	**9,428.46**	**9,420.11**

The cost of inventories recognised as an expense during the year was ₹. 18077.31 lakhs (2017 - 2018: ₹. 14425.83 lakhs). This is included as part of Cost of Materials Consumed and Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade in the Statement of Profit and Loss.

The mode of valuation of inventories has been stated in note 2.11.

Included above, Stock-in-Transit		
a) Raw Materials	383.19	50.48
b) Finished Goods	16.96	564.64
Total	**400.15**	**615.13**

14. Trade receivables

(Unsecured, considered good unless stated otherwise)

Current **(Refer note 51)**		
Considered good	7,947.85	5,721.69
having Significant increase in credit risk/credit impaired	2,816.98	3,031.17
	10,764.83	8,752.86
Allowance for doubtful debts (expected credit loss allowances)	(446.79)	(672.82)
	10,318.04	8,080.04
Total	**10,318.04**	**8,080.04**

14.1 Trade receivables

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an ongoing basis throughout each reporting period. The average credit period allowed to the customers is in the range of 30-90 days. based on the assesement of recoveries any receivables which are more than 90 days are considered under "Significent increase in Credit Risk" and any receivables more than 180 days are considered as " Credit Impared"

The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period as follows.

Ageing	Expected credit loss(%)
Within the credit period	1.37%
91 - 180 days past due	2.18%
181 - 360 days past due	9.44%
361 - 720 days past due	7.81%
721 - 1080 days past due	93.03%
More than 1080 days past due	100.00%

Age of receivable	As at March 31, 2019	As at March 31,2018
Within the credit period	7,834.01	5,665.28
91 - 180 days past due	829.15	836.81
181 - 360 days past due	1,075.75	1,281.58
361 - 720 days past due	573.98	222.38
721 - 1080 days past due	5.15	73.99
More than 1080 days past due	-	-
TOTAL	**10,318.04**	**8,080.04**

Movement in the expected credit loss allowance

	As at March 31,2019	As at March 31,2018
Balance at beginning of the year	672.82	375.37
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(226.04)	297.45
Balance at the year End	**446.78**	**672.82**

NOTE 15. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

Particulars	As at March 31, 2019	As at March 31,2018
(a) Balances with Banks		
In Current Accounts	67.80	360.18
(b) Cheques in hand	266.02	-
(c) Cash on hand	32.32	13.75
Cash and cash equivalents as per balance sheet	**366.14**	**373.93**

NOTE 16. OTHER BANK BALANCES

Particulars	As at March 31, 2019	As at March 31,2018
Earmarked Balances with Banks		
- Unpaid dividend accounts	4.32	4.10
- Deposits against guarantees & other commitments	389.01	371.54
TOTAL	**393.33**	**375.64**

Other Bank Balances - Earmarked Balances with Banks includes deposit ₹ 38.29 lakhs (2017 - 2018 : ₹5.00 lakhs) which have an original maturity of more than 12 months.

NOTE 17. Equity Share Capital

Authorised Share capital	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	₹ In Lakhs	No. of Shares	₹ In Lakhs
Equity Shares of Re.1 Each	100,000,000	1,000.00	100,000,000	1,000.00
Issued & subscribed capital comprises:				
Equity Shares of Rs.1 Each, Fully Paid Up	77,830,000	778.30	77,830,000	778.30
	77,830,000	**778.30**	**77,830,000**	**778.30**

17.1 Fully paid equity shares

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	₹ In Lakhs	No. of Shares	₹ In Lakhs
Equity Shares outstanding at the beginning of the year	77,830,000	778.30	77,830,000	778.30
Equity shares issued during the year	-	-	-	-
Equity Shares outstanding at the end of the year	**77,830,000**	**778.30**	**77,830,000**	**778.30**

17.2 : The Company has only one class of equity shares having a par value of Re. 1 per shares. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

17.3 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% holding in the class of shares	No. of Shares held	% holding in the class of shares
Fully paid equity shares				
a) Zircon Teconica Private Ltd. (Formerly known as Zircon Finance & Leasing Pvt. Ltd.)	20,523,330.00	26.37	20,523,330.00	26.53
b) Jayesh Pannalal Choksi	18,010,259.00	23.14	18,010,259.00	23.28
c) Pranav Jayesh Choksi	7,268,626.00	9.34	6,975,826.00	9.02
d) SBI Trustee company Ltd. (through various mutual funds)	45,23,902.00	5.81	5,707,489.00	7.38
e) Gufic Private Limited	5,374,157.00	6.90	5,330,957.00	6.89

NOTE 18. Other equity excluding non-controlling interests

Particulars	As at March 31, 2019	As at March 31, 2018
General reserve (Refer Note 18.1)		
Balance at beginning of the year	134.71	134.71
Movements		-
Balance at end of the year	**134.71**	**134.71**
Capital Reserve (Refer Note 18.2)		
Balance at beginning of the year	12.50	12.50
Movements		-
Balance at end of the year	**12.50**	**12.50**
Retained earnings		
Balance at beginning of year	4,408.33	2,809.36
Add : Profit for the year	2,191.82	1,645.52
Add: Revesal of notional interest on capital contribution	86.02	-
Less : Final Dividend on Equity Shares **(Refer Note 18.3)**	(38.68)	(38.68)
Less : Corporate Tax on Dividend	(7.87)	(7.87)
Less: Deferred Tax Effect on Reversal of Notional Interest on Capital Contribution	(29.80)	-
Less: Prior Period taxes Effect	(17.00)	-
Balance at end of the year	**6,592.83**	**4,408.33**
Others		
Contribution towards Capital	16.45	79.73
Balance at end of the year	**16.45**	**79.73**
Total	**6,756.49**	**4,635.27**

Note 18.1: The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Note 18.2: The Capital reserve is created on receipts of government grants for setting up of tissue culture division in the earlier years.

Note 18.3: The company has paid dividend of ₹ 0.05 per share on September 29, 2018 totalling to ₹ 38.68 lakhs (Previous year: ₹ 0.05 per share totalling to ₹ 38.68 lakhs)was paid to the holders of fully paid equity shares.

Note 18.4: Others Includes the notional interest charged to the Statement of Profit & Loss account on account of interest free loan given by the directors of the company.

NOTE 19. Non-current Borrowings

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non current	Current	Non current	Current
Secured – at amortised cost				
(A) From Banks				
(a) Term loans **(Refer Note 19.1)**	1,093.04	143.66	381.35	161.17
(b) Vehicle Loans **(Refer Note 19.1)**	9.40	14.34	17.07	34.28
(B) From Others				
(a) Vehicle Loans **(Refer Note 19.1)**	22.42	16.63	40.61	18.30
(C) Long term maturies of finance lease obligation {Refer Note 19.1 (III)}	-	3.79	3.79	6.99
TOTAL (I)	**1,124.87**	**178.42**	**442.82**	**220.74**
Unsecured – at amortised cost				
From Directors **{Refer Note 19.1 (IV)}**	6.30	-	389.10	-
TOTAL (II)	**6.30**	**-**	**389.10**	**-**
Total Non-current borrowings	**1,131.17**	**178.42**	**831.92**	**220.74**

19.1 : Summary of borrowing arrangements

The terms of repayment of term loans and other loans are stated below:

I. As at March 31, 2019

Particulars	Amount outstanding (₹. in Lakhs)	Terms of Repayment	Rate of Interest
(A) Term Loans from Bank Security (i) The loan are secured by first pari passu charge on all the present and furture plant & machineries/ equipments / air conditioners / computers and Accessories / Electric Installation & Furniture & Fixture. (ii) Further the loan is also secured by Legal mortgage of land and factory building of Gufic Private Limited to the extent of ₹ 2000 lakhs (Company in which directors are interested), situated at Navsari. (iii) It is also secured by personal guarantee of Managing Director and Chief Executive Officer and a corporate guarantee (restricted to the exposure of ₹ 3640 lakhs) from Gufic Private Limited (Company in which directors are interested).	1,236.70	Amount disbursed under the term loan shall be repaid in monthly installements varying from ₹. 42,000/- to ₹. 7,56,000/- (excluding interest),over a period of 1 to 24 months.	The Rate of Interest is between 9.70 % to 12.50 % p.a. and shall be payable on monthly basis
(B) Vehicle Loans from Bank and Others Security (I) Are secured by first charge by way of hypothecation of vehicles acquired under the specific facility granted. (ii) Carrying value of the fixed assets pledged is ₹ 198.54 lakhs.	62.79	Amount disbursed under the term loan shall be repaid in monthly installements varying from ₹ 7,850 to ₹ 1,13,548 (including Interest), over a period of 1 to 60 months.	The Rate of Interest is between 8.18 % to 11.01 % p.a. and shall be payable on monthly basis.

II. As at March 31, 2018

Particulars	Amount outstanding (₹. in Lakhs)	Terms of Repayment	Rate of Interest
(A) Term Loans from Bank Security (i) The loan are secured by first pari passu charge on all the present and furture plant & machineries/ equipments / air conditioners / computers and Accessories / Electric Installation & Furniture & Fixture. (ii) Further the loan is also secured by Legal mortgage of land and factory building of Gufic Private Limited to the extent of ₹ 2000 lakhs (Company in which directors are interested), situated at Navsari. (iii) It is also secured by personal guarantee of Managing Director and Chief Executive Officer and a corporate guarantee (restricted to the exposure of ₹ 3640 lakhs) from Gufic Private Limited (Company in which directors are interested). (iv) Carrying value of the fixed assets pledged is ₹ 1864.25 lakhs.	542.52	Amount disbursed under the term loan shall be repaid in monthly installements varying from ₹. 42,000/- to ₹. 7,56,000/- (excluding interest),over a period of 1 to 24 months.	The Rate of Interest is between 9.70 % to 12.50 % p.a. and shall be payable on monthly basis
(B) Vehicle Loans from Bank and Others Security (I) Are secured by first charge by way of hypothecation of vehicles acquired under the specific facility granted. (ii) Carrying value of the fixed assets pledged is ₹ 244.33 lakhs.	110.27	Amount disbursed under the term loan shall be repaid in monthly installements varying from ₹ 7,850 to ₹ 1,49,000 (including Interest), over a period of 1 to 60 months.	The Rate of Interest is between 8.18 % to 11.47 % p.a. and shall be payable on monthly basis.

III. Obligations under finance leases

Interest rates underlying the lease obligations are fixed at respective contract dates at 11.0688% (2017 - 2018 : 11.0688%)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
With One Year	3.95	3.95	7.90	7.90
After one year but not more than five years	-	-	3.95	3.95
More than five years	-	-	-	-
Total minimum lease payments	**3.95**	**3.95**	**11.85**	**11.85**
Less: Amounts representing finance charges	0.16	0.16	1.07	1.07
Present Value of minimum lease payments	**3.79**	**3.79**	**10.78**	**10.78**

IV. The company has received unsecured and interest free loan from the directors of the company. The loan are repayable after March 31, 2020 or any period thereafter as mutually decided between the directors and the company. The company has provided interest on the loan @ 11 % p.a. (2017 - 18 : 11% p.a.). Further the company has during the year repaid certain amount to its directors and have reversed the interest provided in the earlier years. Thus the company during the year has accounted for interest income of Rs. 63.28 lakhs (2017-2018: interest expenses of Rs. 65.34 lakhs) and shown the same under the head "Other equity excluding non-controlling interests" as owners contribution towards equity.

19.2 There are no breach of contractual terms of the borrowing during the year ended March 31, 2019 and March 31, 2018.

19.3 Reconciliation of liabilities arising from financing activities

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non–cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's consolidated of cash flows as cash flows from financing activities.

Particulars	Term loans from financial institutions
As at 31st March, 2018	**8,190.19**
Financing cash flows	1,784.26
Non-cash changes	
Interest accruals on account of amortisation	(17.44)
As at 31st March, 2019	**9,957.01**

NOTE 20. Other financial liabilities (At Amortised Cost)

₹ in Lakhs

Particulars		As at March 31, 2019	As at March 31, 2018
Non Current			
Unsecured			
(a) Security and Trade Deposits from Agents and Stockists		468.09	476.32
	Total	**468.09**	**476.32**
Current			
(a) Current maturities of long-term debt **(Refer Note 19)**		174.63	213.75
(b) Current Maturities of Finance lease of obligation **(Refer Note 19)**		3.79	6.99
(c) Interest accrued and not due on Borrowings		6.39	1.03
(d) Interest accrued and due on Borrowings		9.46	4.66
(e) Unpaid dividends **(Refer Note 20.1)**		4.07	4.13
(f) Others :-			
(i) Interest payable on Security Deposit		14.28	9.44
(ii) Employee Benefits Payable		896.09	771.32
	Total	**1,108.70**	**1,011.32**

Note 20.1 : There is no amount due and outstanding to be credited to the Investor Education & Protection Fund.

NOTE 21. Provisions

Non Current			
Provision for Employee Benefits (Refer Note 39)			
(i) for Gratuity		81.58	122.90
(ii) for Compensated Absences		104.01	103.58
	Total	**185.59**	**226.48**
Current			
(a) Provision for Employee Benefits (Refer Note 39)			
(i) for Gratuity		55.57	51.08
(ii) for Compensated Absences		14.80	8.98
		70.37	**60.06**
(b) Others			
(i) Provision for Sales Returns **(Refer Note 53)**		266.52	297.30
		266.52	297.30
	TOTAL (a + b)	**336.89**	**357.36**
	Total	**522.48**	**583.84**

NOTE 22. Current Borrowings

Loans repayable on demand			
Secured - at amortised cost			
(a) Loans from banks (Refer Note (1) below)		8,469.00	6,481.44
Unsecured - at amortised cost			
(a) Foreign Currency Loan (Refer Note (2) below)		-	435.35
	Total	**8,469.00**	**6,916.79**

Note 1: Secured loans comprise of Bank Overdraft, and are secured by hypothecation of all stocks and book debts. The facilities granted to the company are further secured by Equitable / Legal mortgage of land and factory building of Gufic Private Limited to the extent of ₹. 2000 lakhs (Company in which directors are interested), situated at Navsari, against the credit facilities sanctioned to the company. The loans are secuered by personal guarantee of Managing Director and Chief Executive Officer and the loan are secured by a corporate guarantee (restricted to the exposure of ₹. 3640 lakhs) of Gufic Private Limited.

Rate of Interest @ 9.85% and repayable on demand.

Note 2: Unsecured Loan comprises of Foreign Currency Loan (Buyers Credit) of ₹. NIL (March 31, 2018 ₹. 435.35 lakhs) Foreign Currency loans carry interest rate at 3 months LIBOR plus 0.48 %

NOTE 23. Trade payables

Particulars	As at March 31, 2019	As at March 31, 2018
Current (Refer Note 51)		
Total outstanding dues of micro enterprises and small enterprises	281.65	273.62
Total outstanding dues of creditors other than micro enterprises and small enterprises	7498.86	7,324.32
Total	**7,780.51**	**7,597.94**

The average credit period on purchases is 45 to 90 days. No interest is charged by the trade payables.

Sundry Creditors - Dues to Micro and Small Enterprises

Pursuant to disclosure of amount due to Micro, Small and Medium Enterprises as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" (MSMED ACT) included under the head "Trade Payable", the Company has initiated process of seeking necessary information from its suppliers. Based on the information available with the company regarding the total amount due to supplier as covered under MSMED Act is given below. The company is generally regular in making payment of dues to such enterprise. There are no overdues beyond the credit period extended to the company which is less than 45 days hence liability for payment of interest or premium thereof and related disclosure under the said Act does not arise. This has been relied upon by the auditors.

Particulars	As at March 31, 2019	As at March 31, 2018
I. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	202.84 and interest of ₹ 78.81 lakhs	273.62 (interest ₹ nil)
ii. The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	₹ 8.76lakhs	Nil
iii. The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year.	₹ 78.81 lakhs	Nil
v. The amount of further interest remaining due & payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	₹ 87.57 lakhs	Nil

NOTE 24. Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Statutory Dues Payables (includes Excise Duty, Provident Fund, Withholding Taxes, etc.)	254.16	548.40
(b) Advances from customers	264.72	136.77
(c) Others	0.28	27.38
Total	**519.16**	**712.54**
NOTE 25. Current Tax Liabilities (Net)		
Current tax liabilities		
Provision for Income Tax (Net)	420.07	258.98
	420.07	**258.98**

NOTE 26. Revenue from operations

Particulars	For the year ended March 31,2019	For the year ended March 31,2018
a) Sale of Products (Net of Returns and GST)	34,244.90	30,139.54
b) Other Operating Revenue		
i) Processing Charges	751.54	689.59
ii) Other Operating Revenues	80.52	44.85
Total	**35,076.96**	**30,873.98**
Disaggregation Of Revenue		
Revenue based on Geography		
- Domestic	31,202.47	27,719.54
- Export	3,042.43	2,420.00
Revenue from operations	34,244.90	30,139.54
Reconciliation of Revenue from operations with contract price		
Contract Price	35,211.31	31,019.32
Less:		
Sales Returns	938.77	866.27
Discount	27.64	13.51
Total Revenue from Operations	34,244.90	30,139.54
Contract Balances		
Trade receivables	10,318.04	8,080.04
Contract assets	-	-
Contract liabilities	264.72	136.77

Contract assets are initially recognised for revenue from sale of goods. Contract liabilities are on account of the upfront revenue received from customer for which performance obligation has not yet been completed.

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms which may be either on Ex factory basis or on delivery. Payment terms with customers vary depending upon the contractual terms of each contract.

Contract Liabilities		
Balances at the beginning of the year	136.77	147.45
Additional during the year	264.72	136.77
Reduction during the year	136.77	147.45
Balances at the close of the year	**264.72**	**136.77**

NOTE 27. Other Income

₹ in Lakhs

Particulars	For the year ended March 31,2019	For the year ended March 31,2018
a) Interest Income (at amortised Cost)		
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
(i) Bank deposits (at amortised cost)	26.09	23.78
(ii) Interest income on financials assets		
(a) Other deposits and receivables	55.89	37.74
(b) Advance to associates	18.13	-
Total (a)	**100.11**	**61.52**
b) Dividend Income		
Dividends from equity investments	0.04	0.08
Total (b)	**0.04**	**0.08**
c) Other Non-Operating Income (Net of expenses directly attributable to such income)		
Scrap Sales	17.11	27.67
Sundry Balance Written Back	117.77	92.56
Miscellaneoues Income	96.37	63.55
Excess provision written back	52.75	-
Total (c)	**284.01**	**183.79**
d) Other gains and losses		
Net foreign exchange gains/(losses)	33.06	40.78
Total (d)	**33.06**	**40.78**
TOTAL (a+b+c+d)	**417.22**	**286.17**
NOTE 28. Cost of Material Consumed		
(A). Consumption of Raw Material		
Opening Stock	1,778.67	2,039.94
Add: Purchases	12,023.16	9,089.25
(Less) : Closing Stock	(3,026.07)	(1,778.67)
TOTAL (A)	**10,775.76**	**9,350.52**
(B). Consumption of Packing Material		
Opening Stock	588.97	569.15
Add: Purchases	2,089.01	1,588.08
Less : Closing Stock	(738.01)	(588.97)
TOTAL (B)	**1,939.97**	**1,568.27**
TOTAL(A+B)	**12,715.73**	**10.918.78**
NOTE 29. Purchases of Stock - in - Trade		
Purchase of Stock - In - Trade	3,984.34	6,824.11
Total	**3,984.34**	**6,824.11**
NOTE 30. Changes in Inventories of Construction Work-in-Progress & Stock-in-Trade		
Opening stock of		
i) Work-in-progress	1,829.43	2,244.29
ii) Finished goods	4,248.81	545.74
iii) Stock-in-trade	971.72	942.87
	7,049.96	**3,732.90**
Less: Closing stock of		
i) Work-in-progress	3,245.88	1,829.43
ii) Finished goods	1,737.56	4,248.81
iii) Stock-in-trade	689.28	971.72
	5,672.71	**7,049.96**
Net increase	**1,377.25**	**(3,317.06)**

NOTE 31. Employee benefits expense

₹ in Lakhs

Particulars	For the year ended March 31,2019	For the year ended March 31,2018
Salaries and Wages	4,303.08	3,907.55
Contribution to provident and other funds **(Refer note 39)**	163.72	115.68
Staff Welfare Expenses	218.11	438.62
Total	**4,684.90**	**4,461.86**
NOTE 32. Finance costs		
interest on Financial Liabilities - borrowing carried at amortised cost	878.10	733.97
Bank and other financial charges	22.13	22.12
Interest on Owners Contribution	22.75	65.34
Interest on Income Tax	9.31	66.66
Interest to MSME	83.83	-
Total	**1,016.12**	**888.08**
NOTE 33. Depreciation and amortisation expense		
Depreciation of property, plant and equipment **(Refer note 5)**	454.77	436.03
Amortisation of intangible assets **(Refer note 6)**	9.90	3.95
Total depreciation & amortisation	**464.66**	**439.98**
NOTE 34. Other expenses		
Consumable Stores	48.19	64.43
Power and Fuel	342.88	357.87
Labour Charges	1,918.67	1,270.08
Factory Expenses	4.32	19.15
Rent	394.72	197.85
Rates and Taxes (Excluding Taxes on Income)	20.28	17.83
Repairs and Maintenance	-	-
- Building	23.14	167.45
- Machinery	30.98	80.42
- Others	90.10	51.19
Sales Tax Expenses	0.14	2.24
Printing and Stationery	145.94	96.33
Communication Expenses	69.58	67.67
Director Sitting Fees	0.30	2.65
Insurance Charges	48.08	48.29
Travelling, Conveyance and Vehicle Exps	1,993.21	2,218.45
Legal & Professional Fees	560.22	500.67
Testing and Laboratory Expenses	52.41	19.52
Transport and Forwarding	467.90	696.92
Commission and Brokerage	495.31	494.54
Sales Promotion Expenses	167.36	116.56
Advertisement	5.76	15.98
Loss on sale of Asset (Net)	-	0.96
Donation	1.04	9.05
Research & Development Expenses **(Refer note 45)**	207.75	528.82
Corporate Social Responsibility Activity **(Refer note 46)**	38.60	20.22
Bad Debts & Provision for Bad Debts	47.55	297.57
Miscellanous Expenses	541.83	429.67
TOTAL	**7,716.27**	**7,792.37**

NOTE 35. Income Taxes

Particulars	For the year ended March 31,2019	For the year ended March 31,2018
a. Tax expense recognised in profit and loss:		
Current Tax Expense for the year	1,152.82	1,101.40
Tax expenses of prior years	5.94	125.95
Net Current Tax Expenses	**1,158.77**	**1,227.35**
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	182.07	120.43
TOTAL	**1,340.84**	**1,347.78**
b. The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	3,534.91	2,995.40
Tax using the Company's domestic tax rate	1,235.10	1,036.56
(March 31, 2019: 34.94%, March 31, 2018: 34.61%)		
Effect of income that is exempt from taxation	-	-
Effect of expenses that are not deductible in determining taxable profit	218.43	323.67
Incremental deduction allowed for Research and Development costs	(130.61)	(146.96)
Others	11.97	8.56
Current and Deferred Tax expense (excluding prior year taxes)	**1,334.89**	**1,221.83**

I. During the year ended March 31, 2019 and March 31, 2018 the Company has paid dividend to share holders, this has resulted in payment of dividend distribution tax to the taxation authorities. The Company believes that dividend distribution tax represents additional payment to tax authorities on behalf of shareholders. Hence, dividend distribution tax paid is charged to equity.

ii. There are no unrecognized deferred tax assets and liabilities as at March 31, 2019 and March 31, 2018.

NOTE 36. Segment information

36.1 Products and services from which reportable segments derive their revenues

Based on the "Management approach " as defined in IND AS 108, the Chief Operating Decision Maker (CODM) does not evaluate the Company's Performance", separately and hence the total business needs to be treated as one segment.

NOTE 37. Operating lease arrangements

37.1 The Company as lessee

37.1.1 Leasing arrangements

The Company's significant leasing arrangement are in respect of operating lease for premises. The period of agreement is generally from one year to five year and is renewable by mutual consent. The Company does not have an option to purchase the leased assets at the expiry of the lease periods.

37.1.2 Payments recognised as an expense

Particulars	For the year ended March 31,2019	For the year ended March 31,2018
Minimum lease payments	342.77	181.94
Contingent rentals	-	-
Sub-lease payments received	-	-
Total	**342.77**	**181.94**
37.1.3 Non-cancellable operating lease commitments		
Not later than 1 year	346.31	276.00
Later than 1 year and not later than 5 years	699.05	1,038.00
Total	**1,045.35**	**1,314.00**

Note 38. Related Party Disclosures

38.1 Names of the related parties and related party relationships

Particulars	Relationship as at	
	As at March 31, 2019	As at March 31, 2018
Jayesh P Choksi (Chairman & Managing Director)	Key Management Personnel (KMP)	Key Management Personnel (KMP)
Pranav J Choksi (CEO & Whole-time Director)	Key Management Personnel (KMP)	Key Management Personnel (KMP)
Pankaj Gandhi (Whole Time Director)	Key Management Personnel (KMP)	Key Management Personnel (KMP)
Hemal Desai (Whole Time Director) (CFO Till 26/10/2018)	Key Management Personnel (KMP)	Key Management Personnel (KMP)
Balram H. Singh (Non executive Non Independent Director) (W.E.F. 29/05/2018)	Key Management Personnel (KMP)	
Devkinandan B. Roonghta (CFO) (W.E.F. 29/10/2018)	Key Management Personnel (KMP)	
Ami N. Shah (Company Secretary)	Key Management Personnel (KMP)	Key Management Personnel (KMP)
Vipula J Choksi	Relatives of KMP	Relatives of KMP
Khushboo Desai	Relatives of KMP	Relatives of KMP
Pooja Choksi	Relatives of KMP	Relatives of KMP
Parth Gandhi	Relatives of KMP	Relatives of KMP
Rita N. Shah	Relatives of KMP	
Seema D. Roonghta	Relatives of KMP	
Shobhana S. Gandhi	Relatives of KMP	
Comfrey Pharmaceuticals Private Limited	Company in Which KMP/ Relatives of KMP can exercise influence	Company in Which KMP/ Relatives of KMP can exercise influence
Gufic Private Limited		
Gufic Chem Private Limited		
Gufic Lifescience Private Limited		
Jal Private Limited		
Motif Hotels LLP		
Zircon Teconica Private Limited (Formerly Zircon Finance and Leasing Private Ltd)		
Zire Realty Limited		
Zire Rushi Construction		
Manshi Gandhi Enterprise		
Parth Gandhi Enterprises		
Viraj Enterprise		
Shraddha Enterprise		
Prime Bio Inc.		

38.2.1 Details of related party transactions

₹ in Lakhs

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
(a) Remuneration		104.87	91.81
(b) Reimbursement of Expenses		-	40.50
(c) Payment of Services		3.20	-
(d) Director Sitting Fees		1.55	
Outstanding Balance as on	Cr	6.30	389.26
Outstanding Balance as on	Dr	-	0.91
38.2.2 Details of related party transactions			
(a) Payment of Service		1,734.85	27.58
(b) Purchase of Goods and reimbursement Exp		1,303.86	1,827.71
(c) Payment of rent rate and taxes		60.00	25.74
(d) Sale of Goods		652.03	3,310.61
(e) Service Rendered		9.40	996.94
(f) Interest Income		18.13	-
(g) Gurantee given		-	450.00
(h) Licence Fees Paid		-	17.21
(i) Purchase of intangible		46.77	-
Outstanding Balance as on	Cr	110.25	84.40
Outstanding Balance as on	Dr	1,891.64	595.75

Sales of goods to related parties were made at the usual list prices. Purchases were made at market price discounted to reflect the quantity of goods purchased and the relationships between the parties.

The amount outstanding are unsecured and will be settled in cash. No guarantee have been given or received. No expense has been recognized in the current period or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

38.3 Loans from related parties

Particulars	As at March 31, 2019	As at March 31, 2018
JAYESH P. CHOKSI	-	369.63
PRANAV J. CHOKSI	6.30	19.48

The loan is repayable on 1st August 2023 and is interest free. These loan is unsecured.

38.4 Compensation / Proffessional of key management personnel and their relatives

Given details as follows in the table

Particulars	Year ended March 31, 2019 ₹ in Lakhs	Year ended March 31, 2018 ₹ in Lakhs
Remuneration to Key Management Personnel	**96.42**	**83.64**
Remuneration to Relatives of Key Management Personnel	**11.66**	**8.17**

The remuneration of the directors and key management personnel is determined by the remuneration committee having regard to the performance of individual and market trends.

NOTE 39. Employee benefit plans

39.1 Defined contribution plans

The Company operates defined contribution retirement benefit plans for all qualifying employees of its Company. The assets of the plans are held seperately under the control of trustees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

The company has recognised the following amounts in the profit and loss accounts.

Particulars	For the year ended 31.03.2019 ₹ in Lakhs	For the year ended 31.03.2018 ₹ in Lakhs
Employer's contribution to provident fund & ESIC Fund	163.72	117.75

39.2 Defined benefit plans

The Company sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by a separate Fund that is legally separated from the entity. The board of the Fund is composed of an equal number of representatives from both employers and (former) employees. The board of the Fund is required by law and by its articles of association to act in the interest of the Fund and of all relevant stakeholders in the scheme, i.e. active employees, inactive employees, retirees, employers. The board of the Fund is responsible for the investment policy with regard to the assets of the Fund.

These plans typically expose the Company to acturial risks such as: investment risk, interest rate risk, longevity risk and salary risk

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in Life Insurance Corporation of India .
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The risk relating to benefits to be paid to the dependents of plan members (widow and orphan benefits) is re-insured by an external insurance company. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2019. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	**Valuation as at**	
	As at March 31, 2019	**As at March 31, 2018**
Discount rate(s)	7.79%	7.83%
Expected rate(s) of salary increase	5.00%	5.00%
Average longevity at retirement age for current beneficiaries of the plan (years)*		
Males	58 & 75 years	58 years
Females	58 & 75 years	58 years
Average longevity at retirement age for current employees (future beneficiaries of the plan)(years)*		
Males	58 & 75 years	58 years
Females	58 & 75 years	58 years

* Based on Indian Assured Lives Moratlity (2006-08) Ult.table

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Service cost:		
Current service cost	18.27	24.98
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	9.63	9.96
Components of defined benefit costs recognised in profit or loss	**27.90**	**34.94**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions		
Actuarial (gains) / losses arising from changes in financial assumptions		
Actuarial (gains) / losses arising from experience adjustments	2.24	2.10
Others [describe]		
Adjustments for restrictions on the defined benefit asset		
Components of defined benefit costs recognised in other comprehensive income	**2.24**	**2.10**
Total	**30.14**	**37.04**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows.

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of funded defined benefit obligation	(178.66)	(164.55)
Fair value of plan assets	41.51	41.51
Funded status	**(137.15)**	**(123.04)**
Restrictions on asset recognised		
Net liability arising from defined benefit obligation	(137.15)	(123.04)

Movements in the present value of the defined benefit obligation are as follows.

Particulars	As at March 31, 2019	As at March 31, 2018
Opening defined benefit obligation	164.55	179.83
Interest cost	12.88	12.95
Current service cost	18.27	24.98
Remeasurement (gains)/losses:	-	-
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	0.46	(6.73)
Actuarial gains and losses arising from experience adjustments	(1.47)	(46.48)
Others [describe]	-	-
Past service cost, including losses/(gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in a business combination	-	-
Exchange differences on foreign plans	-	-
Benefits paid Directly by Employer	(16.04)	-
Others [describe]	-	-
Closing defined benefit obligation	**178.65**	**164.55**

Movements in the fair value of the plan assets are as follows.

Particulars	As at March 31, 2019	As at March 31, 2018
Opening fair value of plan assets	41.51	41.51
Interest income	3.25	2.99
Remeasurement gain (loss):	-	-
Return on plan assets (excluding amounts included in net interest expense)	(3.25)	(2.99)
Others [describe]	-	-
Contributions from the employer	-	-
Contributions from plan participants	-	-
Assets distributed on settlements	-	-
Assets acquired in a business combination	-	-
Exchange differences on foreign plans		
Benefits paid	-	-
Other [describe]	-	-
Closing fair value of plan assets	**41.51**	**41.51**

The fair value of the plan assets at the end of the reporting period is not available.

Sensitivity Analysis

The sensitivity analysis have been determined based on method that extrapolates the impact on defined benefit obligation as a reasonable change in key assumptions occuring at the end of the reporting period

Particulars	As at March 31, 2019	As at March 31, 2018
Impact on Defined Benefit obligation		
Delta Effect of +1% Change in Rate of Discountins	(10.88)	(9.62)
Delta Effect of -1% Change in Rate of Discounting	12.39	10.94
Delta Effect of +1% Change in Rate of Salary Increase	12.62	11.15
Delta Effect of -1% Change in Rate of Salary Increase	(11.26)	(9.95)
Delta Effect of +1% Change in Rate of Employee Turnover	1.80	1.52
Delta Effect of -1% Change in Rate of Employee Tumover	(2.09)	(1.77)

Particulars	As at March 31, 2019	As at March 31, 2018
Maturity Analysis of Projected benefit obligation for next		
1st Year	23.46	19.79
2nd Year	15.28	15.73
3rd Year	22.48	23.49
4th Year	10.61	20.42
5th Year	7.19	9.16
Thereafter	93.37	76.85

NOTE 40. Earnings per share

Particulars	For the year ended March 31,2019	For the year ended March 31,2018
Basic earnings per share	2.82	2.12
Diluted earnings per share	2.82	2.12
40.1 Basic earnings per share		
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:		
Profit / (loss) for the year attributable to owners of the Company	2,194.07	1,647.62
Less: Preference dividend and tax thereon	-	-
Earnings used in the calculation of basic earnings per share	**2,194.07**	**1,647.62**
Weighted average number of equity shares	77,830,000	77,830,000
40.2. Diluted Earnings Per Share		
The diluted earnings per share has been computed by dividing the Net profit after tax available for equity shareholders by the weighted average number of equity shares, after giving the effect of the dilutive potential ordinary shares for the respective periods.		
Profit / (loss) for the year used in the calculation of basic earnings per share	2,194.07	1,647.62
Add: adjustments on account of dilutive potential equity shares		
Earnings used in the calculation of diluted earnings per share	**2,194.07**	**1,647.62**
Weighted average number of equity shares	77,830,000	77,830,000
40.3. Reconciliation of weighted average number of equity shares		
The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:		
Weighted average number of equity shares used in the calculation of Basic EPS	77,830,000	77,830,000
Add: adjustments on account of dilutive potential equity shares	-	-
Weighted average number of equity shares used in the calculation of Diluted EPS	**77,830,000**	**77,830,000**

NOTE 41. Financial instruments

41.1 Capital management

The company manages its capital to ensure that entities in the company will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the company consists of net debt offset by cash and bank balances and total equity of the company. The company is not subject to any externally imposed capital requirements.

41.1.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows.

Particulars	As at March 31, 2019	As at March 31, 2018
Debt (I)	9,778.59	7,969.45
Less: Cash and bank balances	366.15	373.92
Net debt	9,412.44	7,595.53
Total Equity (ii)	7,534.79	5,413.57
Net debt to equity ratio	1.25	1.40

41.2 Catagories of financial instruments

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets Measured at fair value through profit or loss (FVTPL)		
Measured at amortised cost		
(a) Other investments	0.50	0.50
(b) Cash and bank balances	366.15	373.92
(c) Trade Receivable	10,318.04	8,080.04
(d) Loans	426.44	268.11
(e) Other Financial Assets	359.71	298.97
Financial liabilities Measured at Amortised cost		
(a) Borrowings	9,600.17	7,748.71
(b) Trade Payable	-	-
(C) Other Financial Liabilities	1,576.79	1,487.64

41.3 Financial risk management objectives

The company has a board approved policy to manage the various risks that arise from its business activities.

The objective of the risk management policy document is to ensure that the company has proper and continuous risk identification and management process. This process will generally involve the following steps:

- Identifying, ranking risks inherent in the Organisation's strategy (including its overall goals and appetite for risk);
- Selecting the appropriate risk management approaches and transferring or avoiding those risks that the business is not willing or competent to manage;
- Implementing controls to manage the remaining risks;
- Monitoring the effectiveness of risk management approaches and controls;
- Learning from experiences and making improvements.

The various Risks to which the company is exposed and the steps taken to mitigate or minimise the same are given below:

41.4 Market risk

The Companies activities primarily expose it to the interest rates risk as discussed below:

41.5 Interest rate risk management

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. The Company’s long term borrowings have fixed rate of interest and are carried at amortised costs. The interest rate risk exposure is mainly from changes in fixed and floating interest rates. The interest rate are disclosed in the respective notes to the financial statement of the Company. The following table analyse the breakdown of the financial assets and liabilities by type of interest rate:

Particulars	March 31, 2019	March 31, 2018
Borrowings bearing fixed rate of interest	66.58	121.05
Borrowings bearing variable rate of interest	9,729.44	7,473.21
	9,796.03	7,594.26

41.5.1 Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the company's (Contracted Interest Rate on all the borrowing)

I) profit for the year ended March 31, 2019 would decrease/increase by Rs. 85.92 lakhs (2017 - 2018: decrease/increase by Rs. 59.62 lakhs). This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings.

41.6 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Before accepting any new customer, the company evaluates the credit worthiness of the potentional customers based on past history and other external inquiries as deemed appropriate. The company also obtains the necessary KYC documents from all the customer for assessing the credit quality and defines the credit limits accordingly. Limits and scoring attributed to customers are reviewed once a year.

To manage the credit risk from trade receivables, the Company periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period.

Exposure to the Credit risks

Particulars	March 31, 2019	March 31, 2018
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
- Trade Receivables	**10318.04**	**8080.04**

41.7 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term, and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note 41.7.2 below sets out details of additional undrawn facilities that the company has at its disposal to further reduce liquidity risk.

41.7.1 Liquidity and interest risk tables

The tables detail the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the company may be required to pay.

Commentary:

The tables below include the weighted average effective interest rate and the carrying amount of the respective financial liabilities as reflected in the standalone balance sheet as an example of summary quantitative data about exposure to interest rates at the end of the reporting period that an entity may provide internally to key management personnel.

	Upto 1 year	1 to 3 years	3 to 5 years	Total
March 31, 2019				
Non Derivative				
Trade payable	7,780.51	-	-	7,780.51
Borrowings	8,037.11	1,160.85	580.63	9,778.59
Other Financial Liabilities	1,398.37	-	-	1,398.37
	17,215.99	**1,160.85**	**580.63**	**18,957.47**
March 31, 2018				
Non Derivative				
Trade payable	7,597.94	-	-	7,597.94
Borrowings	7,365.15	477.39	126.91	7,969.45
Other Financial Liabilities	1,266.90	-	-	1,266.90
	16,229.99	**477.39**	**126.91**	**16,834.29**

41.7.2 Financing facilities

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Secured bank overdraft facility:		
i) amount used	8,000.00	6,000.00
ii) amount unused	-	-
	8,000.00	**6,000.00**
Secured bank loan facilities with various maturity dates through to March 31, 2019 and which may be extended by mutual agreement:		
i) amount used	1,288.91	551.36
ii) amount unused	1,253.75	220.95
	2,542.66	**772.31**

41.8 Fair value measurements

The investment of the company are not readily marketable. Further the company has invested in the securities for the purpose of obtaining the credit facilities. The company has to returned the securities back to the lender in the event the credit facilities are repaid / closed by the company. Thus in the case the cost of the security represents the fair value.

Except as stated above the carrying amount of all other financial assets approximate their fair values as indicated below.

	As at March 31, 2019 Fair value	As at March 31, 2018 Fair value
Financial assets		
Financial assets at amortised cost:	**11,836.67**	**9,396.68**
(a) Trade receivables	10,318.04	8,080.04
(b) Cash and cash equivalent	366.15	373.92
(c) Other Bank Balances	393.33	375.64
(d) Loan and Advances -Non Current	783.13	565.65
(e) Loan and Advances - Current	3.02	1.43
Financial liabilities		
Financial liabilities held at amortised cost:	**11,176.96**	**9,236.35**
(a) Long Term Borrowings	1,131.17	831.92
(b) Short Term Borrowings	8,469.00	6,916.79
(c) Trade Payables	-	-
(d) Other Financial Liabilities- Non Current	468.09	476.32
(e) Other Financial Liabilities- Current	1,108.70	1,011.32

NOTE 42. Commitments for expenditure

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	447.52	315.33
Total	**447.52**	**315.33**

NOTE: 43. Contingent liabilities

43.1 Contingent liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Other money for which the company is contingently liable		
(i) Letter of Credit	374.14	678.71
(ii) Bank Gurantee	136.12	112.78
(iii) Excise Duty	108.86	108.86
(iv) Income tax	289.41	417.41
(v) Sales Tax	31.66	29.15

(I) The above claims are pending before various Authorities / court. The Company is confident that the cases will be successfully contested.

(ii) These represent demands raised by Income-tax department on various matters for which disputes are pending before various Appellate authorities. The Company is confident that all these cases can be successfully contested.

NOTE 44. Payments to auditors

₹ in Lakhs

Particulars	For the year ended March 31,2019	For the year ended March 31,2018
As Auditors		
a) For audit	13.20	7.25
b) Tax Audit	-	0.70
c) Limited Review	2.50	0.80
In other Capacity		
a) Certification Work & Other Capacity	0.26	1.04
b) Representation before Statutory Authority	4.85	1.90
Reimbursement of Expenses & Service Tax / Goods & Service Tax	1.26	0.63
Total	**22.08**	**12.32**

NOTE 45.

The company had obtained an approval under sec. 35(2AB) in the F.Y. 2014-15 for inhouse scientific research, which has been renewed in the FY 17 - 18. During the year it has incurred expenditure of ₹. 387.71. lakhs (including fixed assets of ₹. 179.96 lakhs) (Previous Year : ₹. 853.21 lakhs (including fixed assets of ₹.324.39 lakhs)) and the same has been shown under the head other expenses..

NOTE 46. CSR Expenditure

(a)Gross amount required to be spent by the company during the Financial Year 18 - 19: ₹ 38.60 lakhs (2017-18: ₹ 20.22 Lakhs)

(b) Amount spent during the year

₹ in Lakhs

Particulars	In cash	Yet to be paid	Total
(I) On Construction / Acquisition of any assets			
(ii) On purposes other than (i) above	38.60	-	38.60
Total	**38.60**	**-**	**38.60**

NOTE 47.

The Scheme of Arrangement between Gufic Strident Bio-Pharma Private Limited ("the Transferor"), and the Company ("the Scheme"), inter-alia envisaged merger of the business of the transferor into the Company. The scheme was approved by Hon'ble National Company Law Tribunal, Mumbai Bench on September 6, 2018 and became effective on September 25, 2018 upon completion of all the formalities.

Consequent to the amalgamation prescribed by the Scheme, all the assets and liabilities of the transferor compnay were transferred to and vested in the Company with effect from April 01, 2016 ("the Appointed Date"). The amalgamation was accounted under the "pooling of interest" method prescribed under Ind AS 103 - Business Combinations, as prescribed by the Scheme.

Accordingly all the assets, liabilities, and other reserves of the transferor as on April 01, 2016 were transferred to the Company as per the Scheme.

Particular	value recognised on acquisition (in lakhs)
Current Assets	
Inventories	37.49
Trade Receivable	184.93
Cash and Cash Equivalents	10.61
Other Current Assets	39.29
Non Current Assets	
Fixed Assets	65.88
Deferred Tax Assets	9.34
Total (A)	**347.54**
Current Liabilities	
Trade Payable	225.36
Other Current Liabilities	49.51
Short Term Provision	0.87
Non - Current Liabilities	
Long term Borrowings	101.58
Total (B)	**377.32**
Accumulated Balance in Retained Earnings (C)	31.78
Net Identifiable Assets acquired (A-B+C)	**2.00**
Consideration Transferred	**4.80**
Goodwill Arising on acquisition	**2.80**

Particular	March 31, 2019 (in lakhs)
Consideration paid in Cash	4.80
Less: Cash and Cash equivalent balance acquired	(10.61)
	(5.81)

47.3: Impact of acquisitions on the resulf of the company

From the date of acquisition, the company has contributed 455.53 lakhs of revenue and 174.64 lakhs to the profit before tax of the company. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been 809.18 lakhs and the profit before tax of the company would have been 201.67 lakhs.

Note 48. Post implementation of Goods and Service Tax ("GST") with effect from July 01, 2017, revenue from contracts with customers is disclosed net of GST. Revenue from contracts with customers for the previous year included excise duty which was subsumed in GST. Revenue from contracts with customers for the year ended March 31, 2018 includes excise duty for the period ended June 30, 2017. Accordingly, revenue from contracts with customers for the year ended March 31, 2019 are not comparable with year ended March 31, 2018.

Note 49. During the year, the company has entered into transactions with a related party exceeding the threshold limit as prescribed under Rule 15(3) of the Companies Act 2013 for which company has obtained necessary post facto approval from the shareholder through Postal Ballot before March 31, 2019

Note 50. In the opinion of the management inventories of ₹. 9428.46 Lakhs (2017 - 2018: ₹. 9420.10) shown in Balance Sheet are good and do not include any slow moving, or dead stock. Due provision is made for the near expiry material and depletion in its value, if any. In the opinion of the management, all the current assets including inventories, loans and advances have a value on a realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

Note 51. Balance of Trade Receivable and Trade Payable balances are subject to confirmations, verification and adjustments necessary upon reconciliation thereof. Pending adjustments on confirmations, if any, it is shown as good in nature.

Note 52. The company has given security deposit of Rs. 470 Lakhs to Gufic Private Limited towards the use of its factory premises at Navsari for its manufacturing activities. Accordingly an amount of Rs.470 Lakhs has been shown under the head Long Term Loans to related parties.

Company has also given Security Deposit to Gufic Chem Private Limited of Rs. 120 Lakhs towards supply of products at concessional rate to the company and the same has been show under the head Long Term Loan to related parties.

Note 53. ProvisionMovement of Provisions (Current and Non current)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Right of Return		
Balances at the beginning of the year	297.30	938.16
Additional provision during the year	938.77	866.27
Reduction during the year	(969.55)	(1,507.13)
Balances at the close of the year	**266.52**	**297.30**

Note 54. Authorisation of Financial Statements

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors on May 31, 2019 and are subject to approval of the shareholders at the Annual General Meeting.

Note 55. Figures for the previous year have been rearranged/recompanyed as and when necessary in terms of current year's companying.

As per our Report of even date attached
For S H R & Co
Chartered Accountants
FRN : 120491W

For and on behalf of the Board of Directors

Deep N Shroff
Partner
Membership No. 122592

Jayesh P. Choksi (DIN 00001729)
Chairman & Managing Director

Pranav J. Choksi (DIN 00001731)
Chief Executive Officer & Whole Time Director

Mumbai - 31st May, 2019

D. B. Roonghta
Chief Financial Officer

Ami Shah
Company Secretary