NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 -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, 2020. 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 July 31, 2020 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 amended.

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

These standalone financial statements of the Company have been prepared in all material aspects in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (hereinafter referred to as the ‘Ind AS’) as notified under section 133 of the Companies Act, 2013 (‘The Act’) read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India. 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 July 31, 2020.

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

2.2.2 Functional and Presentation Currency

The financial statements are presented in Indian Rupees (‘INR’ or ‘Rupees’ or ‘Rs.’ or ‘Re’) which is the functional currency for the Company.

2.2.3 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.

2.2.4 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 Property, plant and equipment

Cost includes purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Such cost includes the cost of replacing part of the plant and equipment if the recognition criteria are met.

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 these components 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 the statement of profit or loss as incurred.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest, if any.

Capital expenditure on Property, plant and equipment for research and development is classified under property, plant and equipment and is depreciated on the same basis as other property, plant and equipment.

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.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advance under Other non-current assets.

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. 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.

Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis.

Building constructed on leasehold land are amortised over a period of five years (5 years).

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.

2.4 Intangible assets

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

Intangible assets 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 the statement of profit or loss when the asset is derecognised.

2.5 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.

2.6 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.

2.6.1 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 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 discount 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 14.

Debt instrument at FVTOCI

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

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

(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 statement of profit & loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit & loss. 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 statement of profit & loss.

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 statement of profit & loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity, on such sale. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit & loss.

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 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) 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

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 (statement of profit & loss). This amount is reflected in a separate line in the statement of profit & loss 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.

2.6.2 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 statement of profit & loss. 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 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 between previous amortized cost and fair value is recognised in statement P&L.
FVTPL	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.

2.7 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.

Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet. Materials and other items held for use in production of inventories are not written down, if the finished products in which they will be used are expected to be sold at or above cost.

2.8 Cash and Cash Equivalents

Cash and Cash Equivalents comprise of cash on hand and cash at bank including fixed deposit/highly liquid investments with original maturity period 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.

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

2.9 Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flow from operating, investing and financing activities of the Company are segregated.

2.10 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).

2.11 Revenue recognition

Revenue recognition under Ind AS 115 (applicable from 1 April 2018)

Under Ind AS 115, the company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company disaggregates revenue from contracts with customers by geography.

(i) Sale of Goods

Effective April 1, 2018, the Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue.

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

Revenue from sale of goods is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control of goods is transferred upon the shipment of the goods to the customer or when goods is made available to the customer or as per the terms agreed with the customers. The amount of revenue to be recognised is based on the consideration expected to be received in exchange for goods, excluding discounts, sales returns and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, goods and services tax, etc., where applicable. Any additional amounts based on terms of agreement entered into with customers, is recognised in the period when the collectability becomes probable and a reliable measure of the same is available.

The transaction price is documented on the sales invoice and payment is generally due as per agreed credit terms with customer. 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

Sales return is variable consideration that is recognised and recorded based on historical experience, market conditions and provided for in the year of sale as reduction from revenue. The methodology & assumptions used to estimate returns are monitored & adjusted regularly in line with 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) Rendering of Services

Revenue from sale of dossiers/licenses/services, includes in certain instances, certain performance obligations and based on evaluation of whether or not these obligations are in consequential or perfunctory, revenue is recognised in accordance with the terms of the contracts with the customers when the related performance obligation is completed at point in time or spread over a period of time, as applicable.

(iii) Other Operating Revenue

Export benefits available under prevalent schemes are accrued as revenue in the year in which the goods are exported and / or services are rendered only when there reasonable assurance that the conditions attached to them will be complied with, and the amounts will be received.

(iv) 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).

2.12 Employee benefits

2.12.1 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. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, exgratia are recognised during the period in which the employee renders related service.

2.12.2 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 has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

2.13 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.

2.14 Leases

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and low value leases. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

(i) Right-of-Use Asset

The Company recognises right-of-use (ROU) assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

(ii) Lease Liabilities

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

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

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

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective approach. There is no impact on retained earnings as on April 1, 2019 resulting in no restatement in results of comparative period. Consequently, the Company has recognising right of use asset and a corresponding lease liability of Rs. 925.55 lakhs as at April 1, 2019. In the statement of profit and loss for the current period, operating lease expenses has changed from lease rent to depreciation cost for the right of use asset and finance cost for interest accrued on lease liability. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The interest rate applied to lease liabilities as at April 1, 2019 is 10 %.

Income Tax

Income tax expense consists of current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity respectively. 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, respectively.

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.

2.16 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.

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 Provisions, Contingent Liabilities, Contingent Assets and Commitments

Provisions (legal and constructive) 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.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimates is possible;
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent liabilities are not recognised but disclosed in the standalone financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets and Non cancellable operating lease.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

3 Application of new Revised Ind AS

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

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.

ix. Inventories

The Company estimates the net realisable value (NRV) of its inventories by taking into account their estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence by applying certain percentages over different age category of such inventories, expected loss rate considering the past trend and future outlook. Inventories are written down to NRV where such NRV is lower than their cost.

x. Sales Return

For Information about judgements made in applying the accounting policies for sales return that have the most significant effects on the amounts recognised in the standalone financial statements is included in notes 2.11 above.

NOTE 5. Property, plant and equipment

₹ in Lakhs

Description of assets	**Factory Building**	**Plant & Equipment**	**Plant & Equip-ment (R&D)**	**Furniture & Fixture**	**Vehicles**	**Office Equipment**	**Electrical Installation**	**Computer**	**Total**
Gross Block (Cost or Deemed Cost)									
As at April 1, 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**
Additions	85.08	725.81	38.36	5.82	87.53	338.30	-	18.43	1,299.33
Disposales / reclassifications								(2.47)	(2.47)
As at March 31, 2020	**209.67**	**2,557.36**	**1678.05**	**37.98**	**389.55**	**771.21**	**75.09**	**236.03**	**4,954.94**
Accumulated Depreciation									-
As at April 1, 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**
Depreciation expense for the year	21.63	249.38	42.96	3.89	35.80	112.51	8.65	53.87	528.67
Eliminated on disposal of assets / reclassification								(2.13)	(2.13)
As at March 31, 2020	**118.74**	**942.67**	**107.27**	**14.60**	**160.22**	**247.34**	**45.99**	**139.62**	**1,776.44**
As at March 31, 2020	**90.94**	**1,614.69**	**570.78**	**23.38**	**229.33**	**523.87**	**29.10**	**96.42**	**3,178.49**
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**

(*) - Represent Building constructed on leasehold land which will revert to the lessor on completion of lease period.

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 ₹. 2858.23 lakhs (as at March 31, 2019: ₹. 2203.10 lakhs) have been pledged to secure borrowings of the Company (Refer 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 ₹. 229.33 lakhs (as at March 31, 2019: ₹. 177.60 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 ₹. Nil (as at March 31, 2019: ₹. 0.83 lakhs) have been obtained on Finance Lease and hypothecated accordingly.

5.3 The Opening balance as on April 1, 2019 includes Fixed Asset aquired as part of business combination of ₹. 26.68 lakhs.

NOTE 6. Other intangible assets

Description of assets	Computer Software	Technical Know How	Brand	Goodwill	Total
Gross Block (Cost or Deemed Cost)					
As at April 1, 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**
Additions	-	29.98	-	-	29.98
Disposals/ reclassifications	-	-	-	-	-
As at March 31, 2020	**13.68**	**32.11**	**42.62**	**2.80**	**91.21**
Accumulated Amortisation					
As at April 1, 2018	**2.90**	**2.11**	**9.69**	**-**	**14.70**
Depreciation expense for the year	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**
Depreciation expense for the period	4.33	1.71	4.74	0.14	10.92
liminated on disposal of assets/ reclassifications	-	-	-	-	-
As at March 31, 2020	**11.56**	**3.84**	**19.40**	**0.70**	**35.51**
As at March 31, 2020	**2.12**	**28.27**	**23.22**	**2.10**	**55.70**
As at March 31,2019	**6.45**	**0.00**	**27.95**	**2.24**	**36.64**

6.1 The Opening balance as on April 1, 2019 includes Fixed Asset aquired as part of business combination of ₹. 39.19 lakhs.

NOTE 7. Capital Workin Progress

Description of assets	As at March 31, 2020	As at March 31, 2019
Deemed cost		
Opening	962.62	205.03
Additions	3,374.56	757.59
Reclassifications	1,276.15	-
TOTAL	**3,061.03**	**962.62**

Capital Work in Progress includes Plant & Equipment, having carrying value of ₹. 1893.77 lakhs and Flat having a carrying value of ₹. 963.21 lakhs (as at March 31, 2019: ₹. Nil lakhs) which has been pledged to secure borrowings of the Company (Refer note 19).

NOTE 8. Right-of-use assets

Particulars	Leasehold Properities	Total
I. Carrying Amount Balance as at April 1, 2019 Transition to Ind AS 116 Additions Deletion	 925.55 2 99.98 -	 925.55 299.98 -
Balance as on March 31, 2020	1,225.53	1,225.53
II. Accumulated Depreciation / Amortization loss Balance as at April 1, 2019 Transition to Ind AS 116 Additions Deletion	 - 295.41 -	 - 295.41 -
Balance as on March 31, 2020	295.41	295.41
Net Block as on March 31, 2020	930.11	930.11
Net Block as on March 31, 2019	-	-

8.1 The aggregate depreciation expense amounting to Rs 295.41 Lakhs on ROU assets is included under Depreciation and Amortisation Expense (Refer Note 34) in the Statement of Profit and Loss.

NOTE 9. Other investments

Non-current

Particulars	As at March 31, 2020		As at March 31, 2019	
	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 10. Loans (Unsecured, considered good unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
(a) Deposit		
with Related Parties (Refer Note 49)	576.09	422.11
with Others (Amortised Cost)	419.09	359.71
(b) Loan to staff	10.39	1.31
Total	**1,005.57**	**783.13**
Current		
Loans to Staff	18.89	3.02
Total	**18.89**	**3.02**

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. 39** for dues from related parties.

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

Particulars	Balance Sheet		Profit & Loss	
	As at March 31, 2020	As at March 31,2019	For the year ended March 31,2020	For the year ended March 31,2019
Property, plant and equipment	(202.85)	(290.28)	87.43	(1.53)
Borrowing Cost	(4.51)	(7.34)	2.83	(3.60)
Trade Receivables	73.36	123.27	(41.16)	(23.89)
Employee benefits (net of OCI)	74.04	89.44	(17.06)	(123.42)
Provision for Sales	-	93.01	(93.01)	(9.89)
MAT Credit	-	5.74	(5.74)	-
Other Comprehensive income	66.58	-	-	-
Other items	36.95	55.13	(25.27)	(19.74)
Deferred Tax Expense/(Income) in Statement of Profit and Loss				
Net Deferred Tax Assets/(Liabilities)	**43.56**	**68.96**	**(91.98)**	**(182.07)**

Reflected in the Balance Sheet as Follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax assets	250.93	366.59
Deferred tax liabilities	(207.36)	(297.62)
Net	**43.56**	**68.96**

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

Particulars	For the year ended March 31,2020	For the year ended March 31,2019
Opening Balance	68.96	280.83
Tax Income during the Period recognised in Statement of Profit and Loss	(91.98)	(182.07)
Less: Deferred Tax Effect on Reversal of Notional Interest on Capital Contribution	-	(29.80)
Add : Deffered Tax effect on Other Comprehensive Income	66.58	-
Closing Balance	**43.56**	**68.96**

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

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
(i) Capital Advances	-	-
Cosidered Good	775.78	191.78
Cosidered credit impaired	11.57	24.82
	787.35	216.61
Less : Provision for credit impaired	(11.57)	(24.82)
	775.78	191.78
(ii) Others		
(a) Balances with Statutory like value added tax etc.	41.32	41.32
(b) Prepaid Expenses		
- For Leave & Lisence Agreement (Factory Builiding & office premises)	159.99	176.88
- Finance Charges	20.18	28.82
(c) Others		
- Others	3.78	3.78
Total	**1,001.05**	**442.59**
Current		
(i) Advances other than Capital Advances		
- Employees Imprest Advance	242.16	289.01
- to Related Parties **(Refer Note 39)**	1,421.01	691.24
TOTAL	**1,663.17**	**980.25**

(ii) Others		
Advance to Vendors		
Cosidered Good	866.21	370.56
Credit Impaired	22.78	14.17
	888.99	384.74
Less : Provision for Credit Impaired	(22.78)	(14.17)
	866.21	**370.56**
Balances with Statutory Authorities like Goods and service tax, value added tax etc.	1,321.10	1,281.80
Right To Recover Return Goods	283.09	49.79
Cenvat Recoverable	0.21	20.82
Prepaid Expenses	58.93	32.36
Others	11.05	6.77
TOTAL	**4,203.75**	**2,742.36**

NOTE 13. Inventories

Particulars	As at March 31, 2020	As at March 31, 2019
Inventories (lower of cost and net realisable value)(As verified, valued and certified by the Management)		
a) Raw Materials	3,487.23	3,026.07
b) Work-in-Process	3,331.68	3,245.88
c) Finished Goods	2,827.19	1,687.76
d) Packing Materials	742.39	738.01
e) Stock-in-Trade	503.68	689.28
f) Consumables	27.60	41.46
Total	**10,919.77**	**9,428.46**

The cost of inventories recognised as an expense during the year was ₹. 17747.73 lakhs (2018 - 2019: ₹. 18077.31lakhs). 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 2.7.

Included above, Stock-in-Transit

a) Raw Materials	99.85	383.19
b) Finished Goods	11.33	16.96
Total	**111.18**	**400.15**

14. Trade receivables

(Unsecured, considered good unless stated otherwise)

Current **(Refer note 51)**		
Considered good	7,593.35	7,947.85
Credit Impaired	2,898.09	2,816.98
Total	**10,491.43**	**10,764.83**
Allowance for doubtful debts (expected credit loss allowances)	(367.50)	(446.79)
	10,123.94	**10,318.04**
Total	**10,123.94**	**10,318.04**

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.

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	1.28%	1.37%
1 - 180 days past due	1.87%	2.18%
181 - 360 days past due	8.57%	9.44%
361 - 720 days past due	25.00%	7.81%
721 - 1080 days past due	42.00%	93.03%
More than 1080 days past due	100.00%	100.00%

Age of receivable	As at March 31, 2020	As at March 31,2019
Within the credit period	7,460.30	7,834.01
91 - 180 days past due	2,207.66	829.15
181 - 360 days past due	416.96	1,075.75
361 - 720 days past due	39.01	573.98
721 - 1080 days past due	-	5.15
More than 1080 days past due	-	-
TOTAL	**10,123.93**	**10,318.04**

Movement in the expected credit loss allowance

	As at March 31,2020	As at March 31,2019
Balance at beginning of the year	446.78	672.82
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(79.29)	(226.04)
Balance at the year End	**367.49**	**446.78**

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, 2020	As at March 31,2019
(a) Balances with Banks		
In Current Accounts	198.42	67.80
(b) Cheques in hand	166.81	266.02
(c) Cash on hand	53.17	32.32
Cash and cash equivalents as per balance sheet	**418.39**	**366.14**

NOTE 16. OTHER BANK BALANCES

Particulars	As at March 31, 2020	As at March 31,2019
Earmarked Balances with Banks		
- Unpaid dividend accounts	2.68	4.32
- Deposits against guarantees & other commitments	660.65	389.00
TOTAL	**663.32**	**393.32**

Other Bank Balances - Earmarked Balances with Banks includes deposit ₹ 5.00 lakhs (2018 - 2019 : ₹38.29 lakhs) which have an original maturity of more than 12 months.

NOTE 17. Equity Share Capital

Authorised Share capital	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	₹ In Lakhs	No. of Shares	₹ In Lakhs
Equity Shares of Re.1 Each	100,200,000	1,002.00	100,200,000	1,002.00
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, 2020		As at March 31, 2019	
	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, 2020		As at March 31, 2019	
	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 and Leasing Pvt. Ltd.)	20,523,330.00	26.37	20,523,330.00	26.37
b) Jayesh Pannalal Choksi	18,010,259.00	23.14	18,010,259.00	23.14
c) Pranav Jayesh Choksi	7,268,626.00	9.34	7,268,626.00	9.34
d) SBI trustee Co Ltd (SBI Healthcare Opp & SBI Active Select Fund)	3,750,000	4.82	4,523,902.00	5.49
e) Gufic Private Limited	5,374,157.00	6.90	5,374,157.00	6.90

NOTE 18. Other equity excluding non-controlling interests

Particulars	As at March 31, 2020	As at March 31, 2019
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	6,598.19	4,411.45
Add : Profit for the year	2,285.68	2,194.06
Add : Reversal of Notional Interest on Capital Contribution	-	86.02
Less : Final Dividend on Equity Shares **(Refer Note 18.3)**	(38.92)	(38.68)
Less : Corporate Tax on Dividend	(8.00)	(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	**8,836.96**	**6,598.19**
Others (Note 18.4)		
Contribution towards Capital	26.25	16.45
Balance at end of the year	**26.25**	**16.45**
Other items of other comprehensive income (Re - measurement gains (losses) on defined benefit plans)		
Balance at beginning of year	(5.36)	(3.12)
Add : amount transferred	(197.96)	(2.24)
Balance at end of the year	**(203.32)**	**(5.36)**
Total	**8,807.09**	**6,756.49**

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, 2019 totalling to ₹ 38.92 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, 2020		As at March 31, 2019	
	Non current	Current	Non current	Current
Secured – at amortised cost				
(A) From Banks				
(a) Term loans **(Refer Note 19.1)**	1,079.16	285.09	1,093.04	143.66
(b) Vehicle Loans **(Refer Note 19.1)**	65.90	20.40	9.40	14.34
(B) From Others				
(a) Vehicle Loans **(Refer Note 19.1)**	13.77	16.39	22.42	16.63
(b) Property Loans **(Refer Note 19.1)**	630.88	15.54	-	-
(C) Long term maturies of finance lease obligation {Refer Note 19.1 (III)}	-	-	-	3.79
TOTAL (I)	**1,789.70**	**337.42**	**1,124.86**	**178.42**
Unsecured – at amortised cost				
From Directors **{Refer Note 19.1 (IV)}**	2.65	-	6.30	-
TOTAL (II)	**2.65**	**-**	**6.30**	**-**
Total Non-current borrowings	**1,792.35**	**337.42**	**1,131.17**	**178.42**

19.1 : Summary of borrowing arrangements

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

I. As at March 31, 2020

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 ₹ 3825 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).	1,364.25	Amount disbursed under the term loan shall be repaid in monthly installements varying from ₹. 42,000/- to ₹. 15,00,000/- (excluding interest),over a period of 1 to 108 months.	The Rate of Interest is between 9.85 % 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.	116.45	Amount disbursed under the term loan shall be repaid in monthly installements varying from ₹ 7,850 to ₹ 1,57,505/- (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.

Particulars	Amount outstanding (₹. in Lakhs)	Terms of Repayment	Rate of Interest
(b) Property Loan (i) Are Secured by first charge by way of hypothecation of property acquired under the specific facility granted. (ii) Legal Mortgage of Property of ₹. 963.21 Lakhs, shown under CWIP.	**646.42**	Amount disbursed under the term loan shall be repaid in monthly installements of ₹ 8,09,430 (including Interest), with in a period 180 months.	The Rate of Interest is 10.50 % p.a. and shall be payable on monthly basis.

II. 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 ₹ 2500 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 ₹ 1,49,000 (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.

III. Obligations under finance leases

Interest rates underlying the lease obligations are fixed at respective contract dates at NIL (2018 - 2019 : 11.0688%)
Reconciliation between the total of future minimum lease payments and their present value.

Particulars	**As at March 31, 2020**		**As at March 31, 2019**	
	Minimum payments	**Present value of payments**	**Minimum payments**	**Present value of payments**
With One Year	-	-	3.95	3.95
After one year but not more than five years	-	-	-	-
More than five years	-	-	-	-
Total minimum lease payments	**-**	**-**	**3.95**	**3.95**
Less: Amounts representing finance charges	-	-	0.16	0.16
Present Value of minimum lease payments	**-**	**-**	**3.79**	**3.79**

IV. The company has received unsecured and interest free loan from the directors of the company. The loan are repayable after March 31, 2021 or any period thereafter as mutually decided between the directors and the company. The company has provided interest on the loan @ 11 % p.a. (2018 - 19 : 11% p.a.). Thus the company during the year has accounted for interest expense of ₹. 9.79 lakhs (2018 - 2019 : interest income of ₹. 63.28 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, 2020 and March 31, 2019.

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, 2020**	**As at March 31, 2019**
Non Current			
Unsecured			
(a) Security and Trade Deposits from Agents and Stockists		474.75	468.09
	Total	**474.75**	**468.09**
Current			
(a) Current maturities of long-term debt **(Refer Note 19)**		337.42	174.63
(b) Current Maturities of Finance lease of obligation **(Refer Note 19)**		-	3.79
(c) Interest accrued and not due on Borrowings		3.79	6.39
(d) Interest accrued and due on Borrowings		11.60	9.46
(e) Unpaid dividends **(Refer Note 20.1)**		2.22	4.07
(f) Others :-			
(i) Interest payable on Security Deposit		-	14.28
(ii) Employee Benefits Payable		570.01	896.09
	Total	**925.04**	**1,108.70**

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

NOTE 21. Lease Liabilities

Non Current			
Lease Liabilities **(Refer Note 38)**		620.13	-
	Total	**620.13**	**-**
Current			
Lease Liabilities **(Refer Note 38)**		343.16	-
	Total	**343.16**	**-**

NOTE 22. Provisions

Non Current			
(a) Provision for Employee Benefits (Refer Note 40)			
(i) for Gratuity		201.93	81.58
(ii) for Compensated Absences		141.03	104.01
	Total	**342.96**	**185.59**
(b) Others			
(i) Provision for Sales Returns (Refer Note 53)		351.77	-
	Total	**351.77**	**-**
	TOTAL (a + b)	**694.73**	**185.59**

₹ in Lakhs

Particulars		As at March 31, 2020	As at March 31, 2019
Current			
(a) Provision for Employee Benefits (Refer Note 40)			
(i) for Gratuity		199.42	55.57
(ii) for Compensated Absences		16.34	14.80
		215.76	**70.37**
(b) Others			
(i) Provision for Sales Returns (Refer Note 53)		711.12	266.52
		711.12	266.52
	TOTAL (a + b)	**926.89**	**336.89**
	Total	**1,621.62**	**522.48**
NOTE 23. Current Borrowings			
Loans repayable on demand			
Secured - at amortised cost			
(a) Loans from banks (Refer Note (23.1) below)		8,943.27	8,469.00
	TOTAL	**8,943.27**	**8,469.00**

Note 1: Secured loans comprise of Cash Credit, 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 ₹. 3825 lakhs each (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 24. Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Total outstanding dues of micro enterprises and small enterprises	575.36	281.65
Total outstanding dues of creditors other than micro enterprises and small enterprises	10,286.92	7498.86
Total	**10,862.28**	**7,780.51**

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, 2020	As at March 31, 2019
I. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year a. Principal amount due to micro and small enterprises b. Interest due on above	 493.19 84.39	 202.84 83.83
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	-	-
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	63.00	68.58
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year	84.39	83.83
v. The amount of further interest remaining due and 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		

NOTE 25. Other current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Statutory Dues Payables (includes Excise Duty, Provident Fund, Withholding Taxes, etc.)	219.24	254.16
(b) Advances from customers	157.03	264.72
(c) Others	0.48	0.28
Total	**376.75**	**519.16**
NOTE 26. Current Tax Liabilities (Net)		
Current tax liabilities		
Provision for Income Tax (Net) (Provision for tax ₹. 4266.48 Lakhs (2018-19: ₹. 3558.19 Lakhs) and Net of Advance tax of ₹. 4187.15 Lakhs(2018-19: ₹. 3138.13 Lakhs)	79.33	420.07
	79.33	**420.07**

NOTE 27. Revenue from operations

Particulars	For the year ended March 31,2020	For the year ended March 31,2019
a) Sale of Products (Net of Returns and GST) (Formulation and Active Pharma Ingredient)	34,681.43	34,244.90
b) Other Operating Revenue		
i) Processing Charges	949.57	751.54
ii) Other Operating Revenues	144.12	80.52
Total	**35,775.13**	**35,076.96**
Disaggregation Of Revenue		
Revenue based on Geography		
- India	31,561.28	32,034.53
-Africa	527.68	560.17
-Asia	2,930.66	1,719.44
-Europe	336.24	620.01
-North America	280.54	80.30
-Australia	28.61	24.19
-South America	110.13	38.32
Revenue from operations	35,775.13	35,076.96

The Chief Operating Decision Maker (CODM) monitors the geographic segment of its business separately for the purpose of making decisions about resource allocation and performance assessment.

Reconciliation of Revenue from operations with contract price

Contract Price	37,036.76	36,043.37
Less:		
Sales Returns	1,244.13	938.77
Discounts	17.50	27.64
Total Revenue from Operations	**35,775.13**	**35,076.96**
Contract Balances		
Trade receivables	10,123.94	10,318.04
Contract assets	-	-
Contract liabilities	157.03	264.72

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.

Contract Liabilities

Balances at the beginning of the year	264.72	136.77
Additional during the year	157.03	264.72
Reduction during the year	264.72	136.77
Balances at the close of the year	**157.03**	**264.72**

NOTE 28. Other Income

₹ in Lakhs

Particulars		For the year ended March 31,2020	For the year ended March 31,2019
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)		36.76	26.09
(ii) Other financial assets carried at amortised cost		65.78	55.89
(iii) Related party (at amortised cost)		189.25	18.13
	Total (a)	**291.80**	**100.11**
b) Dividend Income			
Dividends from equity investments		0.04	0.04
	Total(b)	**0.04**	**0.04**
c) Other Non-Operating Income (Net of expenses directly attributable to such income)			
Scrap Sales		26.34	17.11
Sundry Balance Written Back		236.28	117.77
Miscellaneous Income		44.67	91.39
Excess provision Written Back (including Expected Credit Loss)		80.24	52.75
	Total (c)	**387.54**	**279.02**
d) Other gains and losses			
Net foreign exchange gains/(losses)		-	33.06
Profit/(Loss) on Sale of Assets		2.12	4.98
	Total (d)	**2.12**	**38.04**
	TOTAL (a+b+c+d)	**681.50**	**417.22**

NOTE 29. Cost of Material Consumed

(A) Consumption of Raw Material			
Opening Stock		3,026.07	1,778.67
Add: Purchases		13,757.19	12,023.16
(Less) : Closing Stock		(3,487.23)	(3,026.07)
	TOTAL (A)	**13,296.03**	**10,775.76**
(B) Consumption of Packing Material			
Opening Stock		738.01	588.97
Add: Purchases		2,006.60	2,089.01
Less : Closing Stock		(742.39)	(738.01)
	TOTAL (B)	**2,002.22**	**1,939.97**
	TOTAL (A + B + C)	**15,298.25**	**12,715.73**

NOTE 30. Purchases of Stock - in - Trade

Purchase of Stock - In - Trade		3,722.41	3,984.34
	Total	**3,722.41**	**3,984.34**

NOTE 31. Changes in Inventories of Construction Work-in-Progress & Stock-in-Trade

Opening stock of			
I) Work-in-progress		3,245.88	1,829.43
ii) Finished goods		1,687.76	5,220.53
iii) Stock-in-trade		689.28	-
iv) Right to recover return goods		49.79	-
	Total (A)	**5,672.71**	**7,049.96**
Less: Closing stock of			
i) Work-in-progress		3,331.68	3,245.88
ii) Finished goods		2,827.19	1,687.76
iii) Stock-in-trade		503.68	689.28
iv) Right to recover return goods		283.09	49.79
	Total (B)	**6,945.64**	**5,672.71**
	Net (A - B)	**(1,272.93)**	**1,377.25**

₹ in Lakhs

NOTE 32. Employee benefits expense

Particulars	For the year ended March 31,2020	For the year ended March 31,2019
Salaries and Wages	4,563.27	4,303.08
Contribution to provident and other funds	218.44	135.82
Gratuity Expenses **(Refer Note No. 40)**	31.14	27.90
Staff Welfare Expenses	344.22	218.11
Total	**5,157.07**	**4,684.90**

NOTE 33. Finance costs

Interest on Financial Liabilities - borrowing carried at amortised cost	1000.71	886.75
Bank and other financial charges	71.04	13.48
Interest on Owners Contribution	9.79	22.75
Interest on Income Tax	0.13	9.31
Interest on Lease Liability **(Refer Note 38)**	105.77	-
Interest to MSME	84.39	83.83
Total	**1,271.83**	**1,016.12**

NOTE 34. Depreciation and amortisation expense

Depreciation of property, plant and equipment **(Refer Note 5)**	528.67	454.77
Amortisation of intangible assets **(Refer Note 6)**	10.92	9.90
Amortisation of Right to Use asset **(Refer Note 8)**	295.41	-
Total depreciation and amortisation	**835.00**	**464.66**

NOTE 35. Other expenses

Consumable Stores	105.60	48.19
Power and Fuel	450.32	342.88
Labour Charges	1,579.40	1,918.67
Factory Expenses	2.42	4.32
Rent	141.07	394.72
Rates and Taxes (Excluding Taxes on Income)	21.24	20.28
Repairs and Maintenance	-	-
- Building	91.41	23.14
- Machinery	158.16	30.98
- Others	97.90	90.10
Sales Tax Expenses	-	0.14
Printing and Stationery	165.18	145.94
Communication Expenses	44.89	69.58
Director Sitting Fees	1.00	0.30
Insurance Charges	95.12	48.08
Travelling, Conveyance and Vehicle Expenses	2,118.20	1,993.21
Legal & Professional Fees	464.94	560.22
Testing and Laboratory Expenses	197.51	52.41
Transport and Forwarding	647.36	467.90
Commission and Brokerage	589.25	495.31
Sales Promotion Expenses	363.43	167.36
Advertisement	6.83	5.76
Donation	18.41	1.04
Research & Development Expenses **(Refer Note 46)**	200.07	207.75
Corporate Social Responsibility Activity **(Refer Note 47)**	56.15	38.60
Allowance for doubtful receivables (net) and Write off	29.98	126.69
Miscellanous Expenses	737.83	462.70
Exchange loss (Net)	28.78	-
Total	**8,411.98**	**7,716.27**

NOTE 36. Income Taxes

Particulars	For the year ended March 31,2020	For the year ended March 31,2019
a. Tax expense recognised in profit and loss:		
Current Tax Expense for the year	831.00	1,152.82
Tax expenses of prior years	(175.64)	5.94
Net Current Tax Expenses	**655.36**	**1,158.77**
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	91.98	182.07
TOTAL	**747.34**	**1,340.84**
b. The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	3,033.01	3,534.91
Tax using the Company's domestic tax rate	763.41	1,235.10
(March 31, 2020: 25.17%, March 31, 2019: 34.94%)		
Effect of expenses that are not deductible in determining taxable profit	149.52	218.43
Incremental deduction allowed for Research and Development costs	-	(130.60)
Tax Expenses of Prior Year	(175.64)	5.94
Others	10.05	11.97
Current and Deferred Tax expense (excluding prior year taxes)	**747.34**	**1,340.84**

I. During the year ended March 31, 2020 and March 31, 2019 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, 2020 and March 31, 2019. Further significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recover ability of deferred income tax assets.

iii. For other related disclosure please refer note no. 46, 52 and 54

NOTE 37. Segment information

37.1 Basis for segmentation

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, " Pharmaceutical and related products". The products being sold under this segment are of similar nature and comprise of pharmaceutical products only.

The Chief Operating Decision Maker (CODM) monitors the geographic segment of its business separately for the purpose of making decisions about resource allocation and performance assessment.

Geographical segments

Revenue is segregated into two segments namely India (sales to customer within India) and other countries (sales to customer outside India) on the basis of geographical location of customers for the purpose of reporting geographical segments. Segment asset are based on the geographical location of the asset.

Particulars	For the year ended March 31,2020	For the year ended March 31,2019
(I) Segment Revenue		
- India	31,561.28	32,034.53
-Africa	527.68	560.17
-Asia	2,930.66	1,719.44
-Europe	336.24	620.01
-North America	280.54	80.30
-Australia	28.61	24.19
-South America	110.13	38.32
TOTAL	**35,775.13**	**35,076.96**

Particulars	For the year ended March 31,2020	For the year ended March 31,2019
(ii) Carrying Amount of Segment Assets		
- India	9,232.45	4,633.66
- Other Countries	-	-
TOTAL of Non Current Assets	**9,232.45**	**4,633.66**

Information about major customers

Incase of sales to two customer accounted for more than 10% or more of the entities revenue from operation. The total revenue from sale of goods is ₹. 4324.37 lakhs (year ended March 31, 2019 : 4180.28 lakhs) to the said two customers.

NOTE 38. Lease

Effective April 01, 2019, the Company has adopted Ind AS 116 “Leases”, and applied to all lease contracts existing on April 01, 2019 using the modified retrospective method. Accordingly, the Company has recognised a lease liability measured at the present value of the remaining lease payments, and right-of-use (ROU) asset at an amount equal to lease liability (adjusted for any related prepayments) of ₹ 925.55 lakhs as at April 1, 2019. In the statement of profit and loss for the current period, operating lease expenses has changed from lease rent to depreciation cost for the right of use asset and finance cost for interest accrued on lease liability. Due to this change, profit before tax for the year ended March 31, 2020 is lower ₹. 33.18 lakhs. Consequent to adoption of Ind AS 116, comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

Management has excercised judgement in determining whether extension and termination options are reasonably certain to be excercised. Expenses relating to short-term leases and low-value assets for year ended March 31, 2020 is 81.19 lakhs.

The interest rate applied to lease liabilities as at April 1, 2019 is 10.00%.

38.1 : Disclosures pursuant to Ind AS 116 :

As a Lessee :

The following is the break-up of current and non-current lease liabilities as at March 31, 2020 :

Particulars	As at March 31, 2020	As at March 31, 2019
Current lease liabilities	343.16	-
Non-current lease liabilities	620.13	-
Total	**963.29**	**-**

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

Balance as at April 1, 2019		
Transition to Ind AS 116	-	-
Additions	299.98	-
Finance cost accrued	105.77	-
Deletions	-	-
Payment of lease liabilities	(368.00)	-
Balance as at March 31, 2020	**37.75**	-

The aggregate interest expense amounting to 105.77 Lakhs (2018 - 2019: Nil) on Lease Liabilities is disclosed separately under Note 33 Finance Costs.

The following is the movement of cash outflow on lease liabilities during the year ended March 31, 2020 :

Payment of lease liabilities	262.24	-
Interest on lease liabilities	105.77	-
Total cash outflow on leases	**368.01**	**-**

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

Less than one year	343.16	-
One to five years	620.13	-
More than five years	-	-
	963.29	-

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

The following amounts are recognised in the Statement of Profit and Loss for the year ended March 31, 2020 :

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Depreciation charge on right-of-use assets	295.41	-
Interest expense on lease liabilities	105.77	-
Expense relating to short-term leases	81.19	-
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	-	-
Expense relating to variable lease payments not included in the measurement of lease liabilities	-	-
Income from subleasing right-of-use assets	-	-
Gain on termination of leases	-	-

Total cash outflow for leases from Financing Activites recognised in the Statement of Cash Flows for the year ended March 31, 2020 is 368 Lakhs.

Note 39. Related Party Disclosures

As required by Ind AS 24 are given below:

39.1 Names of the related parties and related party relationships

Particulars	**Relationship as at**	
Category I - Directors & Key Management Personnel:	**As at March 31, 2020**	**As at March 31, 2019**
Jayesh P Choksi	Chairman & Managing Director & Shareholder having substantial interest	Chairman & Managing Director & Shareholder having substantial interest
Pranav J Choksi	Chief Executive Officer & Whole-time Director	Chief Executive Officer & Whole-time Director
Pankaj Gandhi	Whole Time Director	Whole Time Director
Hemal Desai	Whole Time Director	Whole Time Director
Balram H. Singh	Non executive Non Independent Director	Non executive Non Independent Director
Shrirang V. Vaidya	Independent Director	Independent Director
Gopal M. Daptari	Independent Director	Independent Director
Shreyas K. Patel	Independent Director	Independent Director
Mr. Jagdish Shah	Ceased to be an Independent director from September 29, 2019	Independent Director
Mr. Rabi Narayan Sahoo	Independent Director w.e.f June 29, 2019	Not Applicable
Dr. Anu Aurora	Independent Director w.e.f December 23, 2019	Not Applicable
Devkinandan B. Roonghta (CFO)	Chief Financial Officer	Chief Financial Officer
Ami N. Shah (Company Secretary)	Company Secretary	Company Secretary
Category II - Relatives of Key Management Personnel: Khushboo Desai Pooja Choksi Rita N. Shah Seema D. Roonghta Milan Ramesh Desai Parth Gandhi		
Category III (Others) - Enterprise over which persons covered under Category I or II above are able to exercise significant control: Gufic Private Limited Gufic Chem Private Limited Gufic Lifesciences Private Limited Jal Private Limited Zire Realty Limited Zire Rushi Construction Manshi Gandhi Enterprise **Parth Gandhi Enterprise** Viraj Enterprise Shraddha Enterprise Tricon Enterprises Private Limited Prime Bio INC		

39.2.1 Details of related party transactions

₹ in Lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Revenue from Contract with Customers, net of Returns		
Others	196.48	652.03
(b) Interest Received		
Others	189.25	18.13
© Rendering of Service		
Others	10.79	9.40
(d) Purchase of Goods		
Others	1,114.44	1,303.86
(e) Receiving of Services		
Others	1,612.67	1,734.85
(f) Rental Expenses / Lease Liabilities		
Others	60.00	60.00
(g) Purchase of Property, Plant & Equipment (Stamp duty, registration charges & other charges)		
Others	952.03	-
(h) Purchase of Intangible Asset		
Others	16.80	46.77
(I) Reimbursement of Expenses Paid		
Key Management Personnel	15.57	-
Others	47.64	-
(j) Reimbursement of Expenses Received		
Others	48.85	-
(k) Purchased of License		
Others	27.66	-
(l) Deposit Given		
Others	130.00	-
(M) Loan Received		
Key Management Personnel	329.42	232.67
(n) Loan Repaid		
Key Management Personnel	333.08	615.47
(o) Interest Reimbursed		
Others	40.82	-
(p) Guarantee Received for Loan taken by the Company		
Others	7,465.00	6,140.00
(q) Remuneration		
Key Management Personnel	172.20	106.42
Relatives of Key Management Personnel	2.83	3.20

39.2.2 Details of Balance outstanding as at the year end

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Receivable		
Others	10.41	732.87
(b) Payable		
Key Management Personnel	4.48	6.30
Others	118.12	21.08
(c) Advance (supply of goods / Services)		
Others	1,420.52	688.78
(d) Security Deposit Given		
Others	720.00	590.00

Based on the external transfer pricing review and validation, the Company believes that all transactions with associated enterprises are undertaken on the basis of arm's length principle and are in normal course of business.

Disclosure has been made of only those related parties where there are transactions with the company during the year.

The amount outstanding are unsecured and will be settled in cash or receipt of goods or services. No guarantee have been given. 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.

39.3 Loans from related parties

Particulars	As at March 31, 2020	As at March 31, 2019
JAYESH P. CHOKSI	-	-
PRANAV J. CHOKSI	2.65	6.30

39.4 Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the year was as follows:

Particulars	Year ended March 31, 2020 ₹ in Lakhs	Year ended March 31, 2019 ₹ in Lakhs
Short Term Employee Benefits (#)		
Remuneration to Key Management Personnel	172.20	106.42
Remuneration to Relatives of Key Management Personnel	2.83	11.66

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.

(#) Key Management Personnel (KMP) and Relatives of KMP who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are provided on the basis of actuarial valuation, for the company as a whole, hence the details in respect of long term benefits to KMP and their relatives are not disclosed. Further there is no Share-based payments to Key Management Personnel of Company.

NOTE 40. Employee benefit plans

As required by Ind AS 19 'Employee Benefits' the disclosures are as under:

40.1 Defined contribution plans

The Company offers its employees defined contribution plans in the form of Provident Fund (PF) with the government, and certain state plans such as Employees' State Insurance (ESI). PF cover substantially all regular employees and the ESI covers certain employees. Contributions are made to the Government's administered funds. While both the employees and the Company pay predetermined contributions into the Provident Fund and the ESI Scheme, contributions into the Pension fund is made only by the Company. The contributions are normally based on a certain proportion of the employee's salary.

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

Particulars	For the year ended 31.03.2020 ₹ in Lakhs	For the year ended 31.03.2019 ₹ in Lakhs
Employer's contribution to provident fund & ESIC Fund	249.58	163.72

40.2 Defined benefit plans

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. Provision for gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the Company reviews the level of funding in gratuity fund and decides its contribution.

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

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. However, the risk is partially mitigated by investment in LIC managed fund.
Interest risk	A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
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 members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

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, 2020. 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.

Obligation in respect of defined benefit plan and other long term employee benefit plans are actuarially determined as at the year end using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions relating to defined benefit obligation are recognised in other comprehensive income whereas gains and losses in respect of other long term employee benefit plans are recognised in profit or loss.

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

Particulars	**Valuation as at**	
	As at March 31, 2020	**As at March 31, 2019**
Discount rate(s)	6.89%	7.79%
Expected return(s) on plan assets	6.89%	7.79%
Expected rate(s) of salary increase	5.00%	5.00%
Mortality rate	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Employee Turnover	3.00%	3.00%
Retirement Age (years)	58 & 75 Years	58 & 75 Years

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Expense recognised in the statement of profit and loss (Refer Note 32)		
Current service cost	20.46	18.27
Past service cost and (gain)/loss from settlements -	-	
Net interest expense	10.68	9.63
Expenses charged to the statement of profit and loss	**31.14**	**27.90**
Remeasurement of defined benefit obligation recognised in other comprehensive income		
Actuarial loss/(gain) on defined benefit obligation	264.54	2.24
Actuarial gain on plan assets	-	-
Expense / (income) charged to other comprehensive income	**264.54**	**2.24**

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, 2020	As at March 31, 2019
Present value of funded defined benefit obligation	(442.86)	(178.66)
Fair value of plan assets	41.51	41.51
Funded status	**(401.35)**	**(137.15)**
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	(401.35)	(137.15)

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

Particulars	As at March 31, 2020	As at March 31, 2019
Reconciliation of defined benefit obligations		
Obligation as at the beginning of the year	178.65	164.55
Interest cost	13.92	12.88
Current service cost	20.46	18.27
Benefits paid Directly by Employer	(31.48)	(16.04)
Actuarial (gains)/losses on obligations		
- due to changes in demographic assumptions	-	-
- due to changes in financial assumptions	32.99	0.46
- due to experience	228.31	(1.47)
Obligation as at the year end	**442.85**	**178.65**

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

Particulars	As at March 31, 2020	As at March 31, 2019
Reconciliation of plan assets		
Plan assets as at the beginning of the year	41.51	41.51
Expected return	3.23	2.99
Return on Plan Assets, Excluding Interest Income	(3.23)	(2.99)
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 occurring at the end of the reporting period

Particulars	As at March 31, 2020	As at March 31, 2019
Impact on Defined Benefit obligation		
Delta Effect of +1% Change in Rate of Discounting	(36.39)	(10.88)
Delta Effect of -1% Change in Rate of Discounting	42.30	12.39
Delta Effect of +1% Change in Rate of Salary Increase	42.68	12.62
Delta Effect of -1% Change in Rate of Salary Increase	(37.33)	(11.26)
Delta Effect of +1% Change in Rate of Employee Turnover	3.99	1.80
Delta Effect of -1% Change in Rate of Employee Turnover	(4.76)	(2.09)

Particulars	As at March 31, 2020	As at March 31, 2019
Maturity Analysis of Projected benefit obligation for next		
1st Year	38.63	23.46
2nd Year	23.56	15.28
3rd Year	23.24	22.48
4th Year	20.53	10.61
5th Year	51.31	7.19
Thereafter	196.10	93.37

Asset information

Particulars	As at March 31, 2020	As at March 31, 2019
Insurer Managed Funds (100%) (Fund is Managed by LIC as per IRDA guidelines category-wise composition of the plan assets is not available)	**100%**	**100%**

Contribution in immediate next year

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Estimate of amount of contribution in immediate next year	107.77	31.14

40.3 Other long term benefit plan

Company's employees are entitled for compensated absences which are allowed to be accumulated and encashed as per the Company's rule. The liability of compensated absences, which is non-funded, has been provided based on report of independent actuary using "Projected Unit Credit Method".

Accordingly ₹. 125.43 lakhs (Pr. Yr. ₹. 40.83 lakhs) being liability as at the year-end for compensated absences as per actuarial valuation has been provided in the accounts.

NOTE 41. Earnings per share

Particulars	For the year ended March 31,2020	For the year ended March 31,2019
Basic earnings per share	2.94	2.82
Diluted earnings per share	2.94	2.82
41.1 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	2,285.67	2,194.07
Less: Preference dividend and tax thereon	-	-
Earnings used in the calculation of basic earnings per share	**2,285.67**	**2,194.07**
Weighted average number of equity shares	77,830,000	77,830,000
41.2. 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	2,285.67	2,194.07
Add: adjustments on account of dilutive potential equity shares		
Earnings used in the calculation of diluted earnings per share	**2,285.67**	**2,194.07**
Weighted average number of equity shares	77,830,000	77,830,000
41.3. 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 42. Financial instruments

42.1 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.

42.1.1 Gearing ratio

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

Particulars	As at March 31, 2020	As at March 31, 2019
Debt (I)	11,073.04	9,778.59
Less: Cash and bank balances	418.39	366.15
Net debt	**10,654.65**	**9,412.44**
Total Equity (ii)	9,585.39	7,534.79
Net debt to equity ratio	**111.16%**	**124.92%**

42.2 Catagories of financial instruments

Particulars	As at March 31, 2020	As at March 31, 2019
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	418.39	366.15
(c) Trade Receivable	10,123.94	10,318.04
(d) Loans	1,024.46	786.15
Financial liabilities		
Measured at Amortised cost		
(a) Borrowings	10,735.62	9,600.17
(b) Trade Payable	10,862.28	7,780.51
(C) Other Financial Liabilities	1,399.79	1,576.79

42.3 Financial Risk Management

Company has exposure to following risks arising from financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk
- Currency Risk

Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the Company's risk management policies, under the guidance of Audit Committee.

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

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

42.3.1: Credit Risk

Credit risk refers to the risk that a counter party 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.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables, which are non interest bearing, are mainly from stockists, distributors and customers and are generally on 30 days to 90 days credit. 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.

As at March 31, 2020, Company had 7 customers, (March 31, 2019: 8 customers) that owed the company more than ₹. 4324.39 lakhs (March 31, 2019: ₹. 4711.71 Lakhs) and accounted for approximately 42.71 % and 45.66 % respectively of the total outstanding as at March 31, 2020 and March 31, 2019.

Particulars	March 31, 2020	March 31, 2019
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL) - Trade Receivables	**10,123.94**	**10,318.04**
Gross Carrying amount Average Expected loss rate	10,491.43 3.50%	10,764.83 4.15%
Carrying amount of trade receivables (net of impairment)	10,123.94	10,318.04

42.3.2: Liquidity risk management

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt, and overdraft from banks at an optimised cost. Working capital requirements are adequately addressed by internally generated funds. Trade receivables are kept within manageable levels.

42.3.2.1: Exposure to liquidity risk

The following 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.

	upto 1 year	1 to 3 years	3 to 5 years	5 years & Above	Total
March 31, 2020					
Non Derivative					
Trade payable	10,862.28	-	-		10,862.28
Borrowings	7,367.59	1,556.95	894.48	1,254.02	11,073.04
Other Financial Liabilities	1,062.37	-	-		1,062.37
	19,292.24	**1,556.95**	**894.48**	**1,254.02**	**22,997.69**
March 31, 2019					
Non Derivative					
Trade payable	7,780.51	-	-	-	7,780.51
Borrowings	7,190.85	1,160.85	580.63	846.26	9,778.59
Other Financial Liabilities	1,398.37				1,398.37
	16,369.73	**1,160.85**	**580.63**	**846.26**	**18,957.47**

42.3.2.2 Financing facilities

Particulars	As at March 31, 2020	As at March 31, 2019
Secured bank overdraft facility:		
i) amount used	9,000.00	8,000.00
ii) amount unused	-	-
	9,000.00	**8,000.00**
Secured bank loan facilities with various maturity dates through to March 31, 2020 and which may be extended by mutual agreement:		
i) amount used	1,272.80	1,288.91
ii) amount unused	3,486.92	1,253.75
	4,759.72	**2,542.66**

42.3 Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, the Company's exposure to market risk is a function of borrowing activities and revenue generating and operating activities in foreign currencies.

42.3.1: Interest rate risk management

The company is exposed to interest rate risk because it borrows funds from banks and institutions at both fixed and floating interest rates. The risk is managed by the company by maintaining an appropriate mix between fixed and floating rate borrowings. The companies exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings bearing fixed rate of interest	762.87	66.58
Borrowings bearing variable rate of interest	10,307.52	9,705.70
	11,070.39	**9,772.28**

42.3.1.1: 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. 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 1% higher/lower and all other variables were held constant, the company's (Contracted Interest Rate on all the borrowing) profit for the year ended March 31, 2020 would decrease/increase by ₹. 98.76 lakhs (2018 - 2019: decrease/increase by ₹. 85.92 lakhs). This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings

42.3.2: Currency Risk

The Company is also exposed to foreign currency risk on certain transactions that are denominated in a currency other than the Company's functional currency; hence exposures to exchange rate fluctuations arise. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The Company's foreign exchange risk arises from foreign currency revenues and expenses, (primarily in US Dollars and Euros). As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues and expenses measured in Indian rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and these foreign currencies have changed substantially in recent periods and may continue to fluctuate substantially in the future.

The following table analyses foreign currency risk as at the year end that have not been mitigated by a derivative instrument or otherwise are as below:

Particulars	As at March 31, 2020		As at March 31, 2019	
	USD	EURO	USD	EURO
Financial Assets				
Trade Receivable	13.12	-	8.36	-
Other Receivable	0.87	2.54	0.40	0.15
	13.99	2.54	8.76	0.15
Financial Liabilities				
Trade Payable	50.00	0.56	25.61	-
Other Payable	1.63	0.35	0.26	-
	51.63	0.91	25.87	-
Net Assets / (liabilities)	(37.64)	1.63	(17.11)	0.15

42.3.2.1: Foreign Currency rate Sensitivity Analysis

The table below gives the effect of every 5% strengthening / weakening in the exchange rate between the Indian rupee and the respective currencies for the above mentioned financial assets / liabilities, which would increase / (decrease) the Company's profit and the Company's equity as at the years ended March 31, 2020 and March 31, 2019, .

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Particulars	Change in currency exchange rate	As at March 31, 2020	As at March 31, 2019
US Dollar (USD)	5% / (5%)	(143.49)/143.49	(60.52)/60.52
EURO	5% / (5%)	6.86/(6.86)	0.58/(0.58)

42.4: Commodity rate risk

Exposure to market risk with respect to commodity prices primarily arises from the Company's purchases and sales of active pharmaceutical ingredients, including the raw material components for such active pharmaceutical ingredients. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Company's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Company's active pharmaceutical ingredients business are generally more volatile. Cost of raw materials forms the largest portion of the Company's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2020, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

42.5: 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

Particulars	As at March 31, 2020 Fair value	As at March 31, 2019 Fair value
Financial assets		
Financial assets at amortised cost:	12,230.11	11,863.66
(a) Trade receivables	10,123.94	10,318.04
(b) Cash and cash equivalent	418.39	366.15
(c) Other Bank Balances	663.32	393.32
(d) Loan and Advances -Non Current	1,005.57	783.13
(e) Loan and Advances - Current	18.89	3.02
Financial liabilities		
Financial liabilities held at amortised cost:	22,997.69	18,957.47
(a) Long Term Borrowings	1,792.35	1,131.17
(b) Short Term Borrowings	8,943.27	8,469.00
(c) Trade Payables	10,862.28	7,780.51
(e) Other Financial Liabilities- Non Current	474.75	468.09
(f) Other Financial Liabilities- Current	925.04	1,108.70

NOTE 43. Commitments for expenditure

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	1,052.33	447.52
Total	**1,052.33**	**447.52**

NOTE: 44. Contingent liabilities

44.1 Disputed Liabilities on account of Sales Tax, Excise Duty and Income Tax as at March 31, 2020

Particulars	As at March 31, 2020	As at March 31, 2019
(I) Excise Duty	29.72	108.86
(ii) Income tax	737.08	289.41
(iii) Sales Tax	31.66	31.66
44.2 Guarantees Executed		
(i) Letter of Credit	4,618.40	374.14
(ii) Bank Gurantee	185.23	136.12

44.3: Other money for which the Company is contingently liable

Though a review petition filed against the decision of the Hon'ble Supreme Court of India of February 2019 on Provident Fund (PF) on inclusion of allowances for the purpose of PF Contribution has been set aside, there are interpretative challenges, mainly for estimating the amount and applicability of the decision retrospectively. Pending any direction in this regard from the Employees Provident Fund Organisation, the impact for past periods, if any, is considered to the effect that it is only possible but not probable that outflow of economic resources will be required. The Company will continue to monitor and evaluate its position and act, as clarity emerges.

The Company does not expect the outcome of the matters stated above to have a material adverse impact on the Company's financial condition, results of operations or cash flows.

Future cash outflows in respect of liability under clause 44.1 is dependent on decisions by relevant authorities of respective disputes, clause 44.2 is a financial guarantee.

NOTE 45. Payments to auditors (excluding GST)

₹ in Lakhs

Particulars	For the year ended March 31,2020	For the year ended March 31,2019
As Auditors		
a) For audit	13.50	13.20
b) Tax Audit	4.00	-
c) Limited Review	2.50	2.50
In other Capacity		
a) Certification Work & Other Capacity	2.25	0.26
b) Representation before Statutory Authority	2.00	4.85
Reimbursement of Expenses Goods and Service Tax	0.79	1.26
Total	**25.04**	**22.08**

NOTE 46.

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 ₹. 238.43. lakhs (including fixed assets of ₹. 38.36 lakhs) (Previous Year : ₹. 387.71lakhs (including fixed assets of ₹.179.96 lakhs)) and the same has been shown under the head other expenses..

NOTE 47. CSR Expenditure

(a)Gross amount required to be spent by the company during the Financial Year 19 - 20: ₹ 56.11 lakhs (2018-19: ₹ 38.60 Lakhs)

(b) Amount spent during the year

₹ in Lakhs

Particulars	In cash	Yet to be paid	Total
(I) On Construction / Acquisition of any assets	30.00	-	30.00
(ii) On purposes other than (i) above	26.15	-	26.15
Total	**56.15**	**-**	**56.15**

NOTE 48.

In the opinion of the management inventories of ₹. 10919.77 Lakhs (2018 - 2019: ₹. 9428.46) 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 49.

The company has given security deposit of ₹. 600 Lakhs (2018-19 : ₹. 470 Lakhs) to Gufic Private Limited towards the use of its factory premises at Navsari for its manufacturing activities. Accordingly an amount of ₹. 600 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 ₹. 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 50.

Pursuant to outbreak of coronavirus disease (Covid - 19) worldwide and its declaration as global pandemic, the government of India, declared lockdown on March 24, 2020, followed by several restrictions imposed by the governments across the globe on the travel, goods movement; and transportation considering public health and safety measures. Considering that the Company deals with pharmaceutical drugs that are classified as essentials, there has been minimal disruption with respect to operations including production and distribution activities. As of today, production facilities of the company remain operational. The Company has considered internal and external information while finalizing various estimates in relation to its financial statement upto the date of approval of the financial statements by the Board of Directors and has not identified any material impact on the carrying value of assets, liabilities or provisions. The Company also has not experienced any difficulties with respect to market demand, collections or liquidity. Board of Directors has also considered the impact of COVID-19 on the business for the foreseeable future and have concluded that the company has sufficient resources to continue as a going concern. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

NOTE 51.

The Board of Directors of the Company at its Board meeting held on March 25, 2019 approved the Scheme of Amalgmation of Gufic Lifesciences Private Limited with the Company and their respective shareholders and creditors ("Scheme"), subject to sanction of the regulatory authorities. The BSE Limited and National Stock Exchange of India Limited vide its letters dated April 15, 2020 issued "Observation Letter" approving the said Scheme, subject to compliance of the said letters. The Company has filed the application for approval of the Scheme before the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") and the Company shall hold its Shareholder Meeting on September 15, 2020 for approval of the Scheme and comply with other conditions as per the directions issued by NCLT.

NOTE 52.

The Government of Indian, on September 20, 2019 vide the Taxation Laws (Amendment) Ordiance 2019, inserted a new section 115BAA in the Income Tax Act, 1961 which provides an option to the company for paying income tax at reduced rates subject to compliance of the conditions stipulated therein. Accordingly, the Company has recognized Provision for Income Tax for the quarter and year ended March 31, 2020 and re-measured its opening balance of net Deferred Tax Assets based on the rate prescribed in the said section.

NOTE 53. Provision of anticipated Return of Goods subsequent to Sale:

Provision has been made towards probable return of goods from customers, as per Indian Accounting Standard (Ind AS) 37 estimated by management based on past trends.

Movement of Provisions (Current and Non current)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Provision for Right of Return		
Balances at the beginning of the year	266.52	297.30
Additional provision during the year	1,244.13	938.77
Reduction during the year	(447.76)	(969.55)
Balances at the close of the year	**1,062.89**	**266.52**

NOTE 54. Declaration of Dividend

The Board of Directors at its meeting held on July 31, 2020 has recommended a final dividend of ₹ 0.05 per equity share i.e., @ 5% on the face value of ₹ 1/- each, for the financial year 2019 - 20, subject to the approval of the shareholders at the ensuing Annual General Meeting.

NOTE 55. Authorisation of Financial Statements

The financial statements for the year ended March 31, 2020 were approved by the Board of Directors on July 31, 2020 and are subject to approval of the shareholders at the Annual General Meeting.

NOTE 56.

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 July, 2020	D. B. Roonghta Chief Financial Officer	Ami Shah Company Secretary