

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

- i) Depreciation on revalued assets amounting to ₹ 1,432.00 Lakhs {P.Y. ₹ 1,433.95} has been provided during the year from the Profit and Loss Account as per the Schedule II of Companies Act 2013 & the same is transferred from Revaluation Reserve to General Reserves.
- ii) Investment property includes Mumbai Office Buildings ₹ 333.74 Lakhs which was purchased in the name of the Managing Director of the Company. The Company has entered into an "agreement to sell" and has taken GPA from the Managing Director. The property is yet to be registered in the name of Company.
- iii) Investment Property includes Flats ₹ 1,458.10 Lakhs for which agreement to sell and GPA in favour of the Company has been executed and the same have been put to use. The Investment property (Flats) are yet to be registered /transferred in the name of the Company.
- iv) During the year Company has cancelled the agreement to sell & GPA executed for purchase of land amounting to ₹ 975 Lakhs as due to ongoing litigation the seller could not get the title of the land registered in the name of the Company . Hence the sum paid towards purchase of the land has been reclassified into 'advances recoverable'.
- v) During the year Company has classified assets amounting to ₹ 23.79 Lakhs to 'Assets held for Sale' in accordance with Ind-AS 105 as the useful life of assets as defined under schedule II of Companies Act was over and the assets were no longer in use.
- vi) There is no income or expenses directly related to Investment property during the year apart from depreciation disclosed above.
- vii) During the year Company has revised its estimate of useful life of Intangible assets from 8 years to 5 years in accordance with Ind-as 38 and Ind-as 8. Additional depreciation in current year due to this change in estimate amounts to ₹ 827.72 Lakhs.
- viii) All borrowing cost is recognised in the statement of Profit & Loss account as they are not directly attributable to acquisition, construction or production of qualifying asset as defended in IND-AS 23 "Borrowing Costs".

(ix) Capital Work In Process (Tangible)

(₹ in Lakhs)

Description	Opening Balance	Addition	Capitalised	Closing Balance
Plant & Machinery	299.27	824.34	229.10	894.50
Electric Instalations	40.27	50.34	28.62	61.99
Factory Buildings	40.38	115.60	44.67	111.32
Freight	0.03	3.47	1.11	2.40
Total	379.96	993.75	303.50	1,070.21

(x) Capital Work In Process (Intangible)

(₹ in Lakhs)

Description	Opening Balance	Addition	Capitalised	Closing Balance
Software in Progress	765.47	48.62	0.00	814.08



NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

Note No. : II

(₹ in Lakhs)

Particulars	As At 31st March, 2021	As At 31st March, 2020
a) Non-Current investment: (Unquoted Investments)		
Investment in Equity shares of Subsidiaries: (Carried at Cost)		
i) Investment in Ind Swift Laboratories Inc., USA		
Common Stock (1,204 Share , No par Value)	544.10	544.10
ii) Investment in Meteoric Life Science Pte. Ltd. Singapore		
10,00,000 Ordinary Share	367.88	367.88
iii) Investment in Ind Swift Middle East FZ-LLC,UAE		
Share Capital	441.68	441.68
iv) Investment in Fortune (India) Construction Ltd*		
1,01,00,000 Equity Share of ₹10/- each fully paid up.	904.40	482.00
v) Investment in Halcyon Life Sciences Pvt Ltd*		
4,56,38,260 Equity Share of ₹10/- each fully paid up.	2,706.38	-
Total	4964.44	1835.66
b) Other Investments : (Carried at FVTOCI)		
i) Investment in Essix Biosciences Limited		
12,35,000 Equity Share of ₹10/- each fully paid up.)	536.24	767.50
ii) Investment in Nimbua Green Field (Punjab) Ltd		
1,40,625 Equity Share of ₹ 10/- each fully paid	14.06	14.06
iii) Investment in Mohali green investment Pvt. Ltd		
1,85,000 shares of ₹ 10/- each	18.50	18.50
Total	568.80	800.06
Grand Total	5,533.24	2,635.72

Business Combination (Acquisition of controlling interests)

*During the year Company acquired additional 52.28% equity share capital of Fortune (India) constructions ltd (a group Company/related party) at an investment of ₹ 4.22 Crores. Consequent to such acquisition/investment Fortune India Construction limited has become the wholly owned subsidiary of the Company.

*The Company also acquired 98.16% shares of Halcyon Life Science Pvt Ltd (a group Company/related party) at an investment of ₹ 27.06 Crores. Consequent to such acquisition/investment Halcyon Lifesciences also became a subsidiary of the Company. Apart from the said investment , Company was also issued equity shares at the face value of ₹10/- each against the funds of ₹ 25.00 Crores infused by Ind Swift Laboratories Ltd. in Halcyon Life Sciences Pvt Ltd. earlier.

Note No. : III

(₹ in Lakhs)

Particulars	As At 31st March, 2021	As At 31st March, 2020
Other Non-Current Financial Assets		
(a) Security Deposits	244.19	190.62
	244.19	190.62

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

Note No. : IV

(₹ in Lakhs)

Particulars	As At 31st March, 2021	As At 31st March, 2020
Deferred Tax:		
The Break Up of Deferred Tax Liabilities/(Assets) as at 31st March, 2021 is as under:		
Deferred Tax Liabilities		
Taxable Temporary Difference on account of :		
Depreciation	7,342.38	8,714.77
Total	7,342.38	8,714.77
Deferred Tax Assets		
Taxable Temporary Difference on account of :		
Provision for Gratuity/EL Encashment/commission	603.07	561.10
Carried Forward Losses as per Income Tax Act	-	1,158.01
Interest disallowed under section 43B	-	17.42
Investment at FVTOCI	72.15	-
NCD valuation difference as per IND AS	7,501.71	8,691.51
Total Deferred Tax Assets	8,176.93	10,428.04
MAT Credit entitlement	5,049.71	6,084.37
Deferred Tax Assets /(Liability) net	5,884.26	7,797.64
Deferred Tax Assets /(Liabilities) Charged to OCI	68.88	(2.34)
Deferred Tax Assets /(Liabilities) Charged to P&L A/c	947.60	(82.18)

MAT liability of ₹ 69.28 Lakhs arises for AY 21-22 in view of Section 115JB of Income Tax act, 1961.

Note No. : V

(₹ in Lakhs)

Particulars	As At 31st March, 2021	As At 31st March, 2020
Other Non - Current Assets		
(Unsecured but Considered Good)		
Capital Advances		
- Related Party	6,352.82	5,461.82
- Others	-	40.00
Total	6,352.82	5,501.82



NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

Note No. : VI

(₹ in Lakhs)

Particulars	As At 31st March, 2021	As At 31st March, 2020
(a) INVENTORIES		
(As per inventories taken, valued & certified by the Management)		
Raw Materials	8,151.09	6,782.90
Work in Process	16,565.42	17,118.65
Finished Goods*	8,894.93	8,094.06
Goods-in-Transit (Raw material)	914.32	1,465.52
Stores & Consumables	915.39	820.70
Total	35,441.15	34,281.83

*Finished Goods inventory includes material lying at port

Note No. : VII

(₹ in Lakhs)

Particulars	As At 31st March, 2021	As At 31st March, 2020
Trade Receivables		
- Unsecured Considered good*	40,014.65	38,466.32
Total	40,014.65	38,466.32
*Includes Amounts due from Related Parties	25,893.54	24,376.64

Note No. : VIII

(₹ in Lakhs)

Particulars	As At 31st March, 2021	As At 31st March, 2020
Cash and Cash equivalents		
Cash balance in hand	33.67	29.92
Bank balances with Scheduled Banks :		
Fixed Deposits With Banks*	911.70	799.11
Interest accrued	17.05	14.22
Current Accounts	32.83	40.69
Total	995.24	883.93

*Fixed Deposits With banks include margin monies against LC and margin monies against liquid funds for public deposits.

Note No. : IX

(₹ in Lakhs)

Particulars	As At 31st March, 2021	As At 31st March, 2020
Other current Financial assets		
(a) Advance Custom Duty Paid /Export Incentive Scheme	618.58	420.26
(b) GST refund receivable	3,965.48	1,848.49
(c) Financial Guarantee to related party	830.22	1,127.24
Total	5,414.29	3,395.99

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

Note No. : X

(₹ in Lakhs)

Particulars	As At 31st March, 2021	As At 31st March, 2020
Other Current Assets		
(a) Loans and advances (Unsecured but considered good)		
-Related Parties*	2,704.06	5,545.28
-Others Advances to Creditors	349.36	407.30
(b) Others		
- Indirect Taxes Recoverable - Cenvat/Vat /GST	619.51	558.75
- Advance Tax/TDS	406.19	394.48
- Prepaid Expenses	218.16	132.54
- Advances recoverable in cash or in kind or value to be received	188.27	183.92
Total	4,485.55	7,222.26

* Loans/advances represents advances to related parties for business purpose only.

Note No. : XI

(₹ in Lakhs)

SHARE CAPITAL

Particulars	As At 31st March, 2021	As At 31st March, 2020
a) Authorised		
Balance as per Last Balance Sheet:	6,000.00	6,000.00
Addition during the year		
Nil (Previous Year NIL) Equity share of ₹ 10/- Each		
6,00,00,000 (Previous Year 6,00,00,000) Equity Shares of ₹10/- Each	6,000.00	6,000.00
b) Issued, Subscribed & Paid Up		
Balance as per Last Balance Sheet:	5,908.69	4,756.92
Addition during the year :-		
NIL (P.Y 1,15,17,670) Equity share of ₹ 10.00 each*	-	1,151.77
5,908,69,18 (Previous Year 5,908,69,18) Equity Shares of ₹10/-each fully called up and paid up.	5,908.69	5,908.69
c) Share Forfeited		
Share Warrants Forfeited Account	63.23	63.23
Equity Share Forfeited Account (1,75,900 shares)	8.67	8.67
	71.90	71.90
Total	5,980.58	5,980.58



NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

d) List of Shareholders holding more than 5 % shares

Name	No. of shares	
	As on 31st March, 2021	As on 31st March, 2020
Ind Swift Ltd	94,99,720 16%	94,99,720 16%
Essix Biosciences Ltd	1,28,27,787 22%	1,28,27,787 22%
EC Special Situations Fund	40,31,184 7%	40,31,184 7%
Edelweiss India Special Situations Fund II	61,60,802 10%	61,60,802 10%

e) Share based Payments

There are no outstanding options available under any ESOP scheme as on 31st-March,-2021.

Note No. : XII

(₹ in Lakhs)

Other Equity

Particulars	As At 31st March, 2021	As At 31st March, 2020
(A) Reserves & surplus		
(a) Capital Redemption Reserve	0.02	0.02
(b) Securities Premium		
Opening Balance	30,731.01	24,338.71
Addition during the year	-	6,392.31
	30,731.01	30,731.01
(c) Revaluation Reserve		
Opening balance	22,507.12	23,979.78
Addition (decrease) during the year	-	(38.71)
Less: Depreciation charges on revalued assets trf to General reserve	1,432.00	1,433.95
	21,075.12	22,507.12
(d) General Reserve		
As per Last Balance Sheet	12,326.78	10,892.83
Add: Trf from ESOP	-	-
Add: Dep on revalued assets Deducted from Revaluation Reserves	1,432.00	1,433.95
	13,758.78	12,326.78
(e) Retained Earnings		
As per Last Balance Sheet	(7,005.16)	(4,926.43)
Add: Profit(Loss) for the year closing	(439.83)	(2,078.73)
Closing	(7,444.99)	(7,005.16)
Total (A)	58,119.94	58,559.77
(B) Items of other Comprehensive Income		
a) Remeasurement of the defined benefits liabilities /(assets)		
Opening balance	(79.52)	(84.75)
Add/(Less): Movement during the year(net of Tax)	(151.90)	5.22
Closing Balance	(231.42)	(79.52)
Total (B)	(231.42)	(79.52)
Total Other Equity (A+B)	57,888.52	58,480.25

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

Nature and purpose of each reserve

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

Revaluation reserves - This reserve has been created at the time of re-valuation of Fixed assets of the Company. The same is getting utilised in accordance with provisions of Ind-AS.

General reserve - The reserve arises on transfer portion of the net profit pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

Retained Earnings - Retained earnings are the profits that the Company has earned till date, less any transfers to other reserves, dividends or other distribution paid to its equity shareholders general reserve is not required under the Companies Act, 2013.

Remeasurement of the defined benefit liabilities / (asset) - The cumulative balances of actuarial gain or loss arising arising on remeasurements of defined benefit plan is accumulated and recognised with in this component of other comprehensive income. Items included in actuarial gain or loss reserve will not be reclassified subsequently to statement of profit and loss.

Note No. : XIII

(₹ in Lakhs)

Particulars	As At 31st March, 2021	As At 31st March, 2020
Non-current liabilities		
Financial Liabilities		
(a) Borrowings		
Secured Loans		
a) Debentures		
(i) Non Convertible debenture *	79,356.40	77,572.02
b) Term Loans		
(i) From Banks	-	-
(ii) From ARCs	8,184.63	11,024.00
Unsecured Loans:-		
(i) Public Deposits	-	492.52
Total	87,541.03	89,088.54
*NCDs of ₹ 793.56 Crores is depicting the fair value of debentures in accordance with accounting standards whereas the actual liability payable as on 31st March, 2021 is ₹ 631.96 Crores.		
(b) Other Non Current Financial Liabilities		
(i) Land Lease liability	48.21	46.08
	48.21	46.08
Provisions		
(i) Gratuity Payable	1,254.72	1,085.06
(ii) Compensated absences	317.94	390.59
Total	1,572.66	1,475.65
Other Non current Liabilities		
(i) Deferred Income - Capital Subsidy	17.41	19.94
Total	17.41	19.94



NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

Note No. : XIV

(₹ in Lakhs)

Particulars	As At 31st March, 2021	As At 31st March, 2020
Current Liabilities		
(a) Financial Liabilities		
Borrowings		
Secured Loan		
(i) Borrowings for working capital.	6,080.76	6,234.61
(ii) Current Maturity of Term Loans from Banks/Fl	2,728.96	2,502.31
Unsecured Loan & others		
(i) Public Deposits	468.38	630.53
(ii) Others - IFCI	708.66	1,428.94
(iii) Interest accrued on bank borrowing & Others	2,069.05	3,198.71
Total	12,055.81	13,995.09

(a) Maturity profile of term Loans:-

Secured loan from Banks /ARC outstanding as on 31st March, 2021

(₹ in Lakhs)

Particulars & Interest Rate	Amount (in Lakhs)	Instalment Due F.Y 2021-22	After F.Y 2021-22
NCD (Edelweiss)	79,356.40	-	79,356.40
Asset Reconstruction Company (India) Ltd	914.59	228.96	685.63
Edelweiss Asset Reconstruction Company Ltd (Trustee)	9,999.00	2,500.00	7,499.00
Total	90,269.99	2,728.96	87,541.03

(b) The NCDs amounting to ₹ 424.50 Crores raised through private placement of 10 % Secured Listed Rated Redeemable. It consists of 4,245 Numbers of Non-Convertible Debentures @ ₹ 10 Lakhs each redeemable at premium at the end of 6 years so that the total IRR on the amount so raised shall be 20%.

(c) Edelweiss Assets Reconstruction Company Limited (EARCL) Term loan of ₹ 132 Crores @ 9% p.a payable in 23 quarterly instalments starting from 30.09.18. The current outstanding amount is ₹ 99.99 Crores.

(d) Public Deposit Restructuring

Under the provisions of the Companies Act, 2013, the Company has got its Public Deposit Scheme restructured vide its order No. C.P 27/01/2013 of Company law board. Dated 30.09.2013 through Hon'ble Company Law Board. The Company has been granted extension of time in repayment of these deposits. During the current year the Company has made repayment of fixed deposits amounting to ₹ 6.55 Crores.

(e) Detail Of Charges On Assets

(1) The Non Convertible Debenture (NCD) of ₹ 424.50 Crores; Asset Reconstruction Company India limited (ARCIL) debt of ₹ 9.15 Crores (P.Y ₹ 11.44 Crores) ; Edelweiss Assets Reconstruction Company limited debt of ₹ 99.99 Crores (P.Y ₹ 123.83 Crores) is secured as under:

(i) a first ranking pari passu charge over the entire fixed assets (both present and future) of the borrower by way of an equitable mortgage, in favour of " Security trustee 1 " for the benefit of the respective lenders and

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

- (ii) a second ranking pari passu charge over the entire current assets on the borrower in favour of "Security trustee 2" for the benefit of the respective lenders and
- (iii) unconditional and irrevocable on demand personal guarantee from each promoter to the extent of their respective net worth in the form acceptable to the lenders and the security Trustee 1 in the favour of the "Security Trustee 1" for benefit of the respective lenders and
- (iv) unconditional and irrevocable on the demand corporate guarantee from each of the affiliate companies in the form acceptable to the lenders and the "Security Trustee 1" in the favour of the "Security Trustee 1" for the benefit of the respective lenders and
- (v) Pledge of Promoters Group Shareholding in the borrower (2,15,56,851 no of shares out of the fully diluted equity share capital of the borrower as on the effective date), free of all encumbrances.

Note: The Company has appointed M/s Vistra (ITCL) Limited as Debenture Trustee for the benefit of the NCDs & M/s IDBI Trusteeship Services limited as the Security Trustee to hold the Security on behalf of all the lenders including the NCD holders.

- 2) Bank borrowings for working capital ₹ 60.81 Crores (P.Y. ₹ 62.35 Crores) from Bank of India & I.D.B.I., are secured by :-
- (i) a first ranking pari passu charge over the entire current assets on the borrower in favour of " Security trustee " for the benefit of the respective lenders and
 - (ii) a second ranking pari passu charge over the entire fixed assets (both present and future) of the borrower by way of an equitable mortgage, in favour of " Security trustee " for the benefit of the respective lenders and
 - (iii) unconditional and irrevocable on demand personal guarantee from each promoter to the extent of their respective net worth in the form acceptable to the lenders and the security Trustee in the favour of the "Security Trustee" for benefit of the respective lenders and
 - (iv) unconditional and irrevocable on the demand corporate guarantee from each of the affiliate companies in the form acceptable to the lenders and the "Security Trustee" in the favour of the "Security Trustee" for the benefit of the respective lenders and
 - (v) Pledge of Promoters Group Shareholding in the borrower (2,15,56,851 no of shares out of the fully diluted equity share capital of the borrower as on the effective date), free of all encumbrances.

Note No. : XV

(₹ in Lakhs)

Particulars	As At 31st March, 2021	As At 31st March, 2020
Trade Payable:		
(i) MSME	88.96	29.69
(ii) Other Creditors	12,306.60	12,682.34
Total	12,395.55	12,712.03

(i) Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 There are no material dues owed by the Group to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at 31st March, 2021. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group and has been relied upon by the auditors.



NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

Particulars	31st March, 2021	31st March, 2020
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each year		
- Principal amount due to micro and small enterprises	88.96	29.69
- Interest due on the above	-	-
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts 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 (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
(iv) The amount of interest accrued and remaining un-paid at the end of each accounting year	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-
The above disclosures are provided by the Group based on the information available with the Group in respect of the registration status of its vendors/suppliers.		
All trade payables are current. The Group's exposure to the currency and liquidity risks related to trade payables is disclosed in note no 51.		

Note No. : XVI

(₹ in Lakhs)

Particulars	As At 31st March, 2021	As At 31st March, 2020
Other Financial Liabilities		
(i) Land Lease	2.72	2.48
(ii) Financial Guarantee to Related party	830.22	1,127.24
Total	832.94	1130

Note No. : XVII

(₹ in Lakhs)

Particulars	As At 31st March, 2021	As At 31st March, 2020
Other Current Liabilities:		
(i) Advances from Customers	1,145.13	934.62
(ii) Advance from Related Party	207.56	255.80
(iii) Statutory Liabilities	525.17	542.51
(iv) Expenses Payable	1,437.50	1,356.83
(vii) Current Maturity of Government Grants	2.53	2.53
Total	3,317.90	3,092.29
i) Statutory Liabilities include TDS/TCS payable, ESI Payable, PF payable, Labour welfare Payable, GST Payable, professional tax etc.		
ii) Expenses payable include Salary, wages, Bonus, Short term compensated absences and gratuity payable, Audit Fees, Electricity Exp payable etc.		
Current Provisions		
(i) Income Tax	69.28	-
Total	69.28	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

Note No. : XVIII

REVENUE FROM OPERATIONS

1) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	Year Ended 31st March, 2021 (₹)	Year Ended 31st March, 2020 (₹)
Type of goods or service		
Sales of APIs		
Sale of manufactured Products	85,601.82	74,928.29
Sale of Services	56.01	255.45
Sale of traded Products	-	-
Total	85,657.84	75,183.74
Revenue within India	21,885.79	20,101.08
Revenue Outside India	63,772.05	55,082.65
Total	85,657.84	75,183.74
Timing of revenue recognition		
Goods transferred at a point in time	85,657.84	75,183.74
Total	85,657.84	75,183.74

2) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

	Year Ended 31st March, 2021 (₹)	Year Ended 31st March, 2020 (₹)
Contract Assets		
Trade receivables	40,014.65	38,466.32
Contract liabilities		
Advances from customers	1,145.13	934.62

3) Reconciling the amount of revenue recognised in the statement of P&L with the contracted price

	Year Ended 31st March, 2021 (₹)	Year Ended 31st March, 2020 (₹)
Revenue as per contracted price	86,339.13	75,546.16
Adjustments		
Sales return	681.29	362.42
Net Total	85,657.84	75,183.74



NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

4) The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at 31st March, 2021 are, as follows:

	Year Ended 31st March, 2021 (₹)	Year Ended 31st March, 2020 (₹)
Advances from customers	1,145.13	934.62
Total	1,145.13	934.62

Note No. : XIX

Other Income

(₹ in Lakhs)

	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Export Incentive & other Operating Income	1,543.18	1,970.38
Forex Fluctuations-Gain (Expenses)	327.24	1,375.77
Interest Income	51.28	53.00
Other Non operating Income	391.08	202.83
Total	2,312.78	3,601.98

Note No. : XX

Expenses

(₹ in Lakhs)

	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Cost Of Material Consumed/Sold		
Opening Stock	7,525.33	6,426.63
Add :-		
Purchases	43,842.91	40,227.24
	51,368.23	46,653.87
Less: Closing Stock	8,621.07	7,525.33
Total	42,747.16	39,128.55

Note No. : XXI

Increase /Decrease In Inventory

(₹ in Lakhs)

	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Opening Stock		
Work in Process	17,118.65	14,245.65
Finished Goods	8,094.06	9,722.99
Total	25,212.70	23,968.65
Closing Stock		
Work in Process	16,565.42	17,118.65
Finished Goods/Stock in Trade	8,894.93	8,094.06
Total	25,460.35	25,212.70
Total (Increase/Decrease in inventory)	(247.65)	(1,244.06)

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

Note No. : XXII

Employee Benefits Expenses

(₹ in Lakhs)

	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Directors' Remuneration		
--Salary & Allowances	868.47	679.02
--Contribution to P.F.	0.86	0.67
Salary & Allowance	2,138.19	2,046.32
Salary & Wages	6,754.57	6,641.01
P.F. & Other Funds	344.74	367.73
Staff Welfare Expenses	107.36	99.85
Recruitment Expenses	2.12	2.78
Gratuity Premium	198.76	194.01
Training & Development Expenses	1.64	6.32
Total	10,416.71	10,037.70

Note No. : XXIII

Finance Cost

(₹ in Lakhs)

	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Interest on Term Loans	1,171.39	1,353.22
Interest on Debentures	7,874.90	8,262.21
Interest on Working Capital	289.03	630.73
Bank Charges & Others	686.25	501.98
Total	10,021.57	10,748.15

Note No. : XXIV

Depreciation & Amortisation Expenses

(₹ in Lakhs)

	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Depreciation	8,729.17	9,005.93
Total	8,729.17	9,005.93



NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

Note No. : XXV

Other Expenses

(₹ in Lakhs)

	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Manufacturing Expenses		
Job Work Charges	437.84	462.14
Power, Fuel & Water Charges	3,731.36	3,464.70
Stores & Spares	1,441.81	1,209.84
Repair & Maint. :		
Plant & Machinery	328.96	349.46
Buildings	267.76	176.70
Electrical	152.97	175.58
Other Manufacturing Expenses	118.45	115.67
Total	6,479.17	5,954.09
Administrative & Other Expenses		
Travelling & Conveyance	22.45	165.90
Auditors Remuneration :		
--Audit Fees	4.00	4.00
--Certification Fees	1.00	1.00
--Out of Pocket Exp.	0.67	0.86
Lease Rent - Short term	53.71	62.03
Rate fee & Taxes	86.17	69.88
Insurance Charges	427.17	525.98
Legal & Professional Charges	189.32	217.22
Printing & Stationary	95.72	96.83
Vehicle Running & Maint.	193.12	196.34
Telephone & Postage	38.05	37.13
Office Expenses	59.18	69.23
Charity & Donation	32.72	3.59
Listing Fees	6.01	5.70
Books & Periodicals	0.86	0.94
Meeting, Membership & Subscription Fees	42.21	27.74
Security Expenses	107.40	109.61
Repair & Maintenance-General	128.00	83.13
Corporate Social Responsibility Expenses , (Refer note no XXXVI)	129.67	28.11
Other Expenses	23.67	25.56
Total	1,641.10	1,730.77

Contd.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

(₹ in Lakhs)

	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Selling & Distribution Expenses		
Advertisement & Publicity	0.65	1.33
Business Promotion	75.93	86.85
Commission on Sales	1,577.04	1,359.96
Packing Material	342.67	322.26
Freight Outward	1,211.39	557.95
Insurance Charges	53.75	19.45
ECGC Premium	8.22	6.16
Other expenses	0.72	11.67
Total	3,270.34	2,365.61
Research & Development Expenses(Db)		
Salary & Wages (R&D)	199.47	183.62
Consumables , Chemicals & Regents	437.65	368.67
Technical Study & Consultancy & Product registration	10.88	17.63
Total	647.99	569.92
Research & Development Expenses (Mohali)		
Raw Material ,Consumables, Lab Chemicals & Regents	1,401.15	1,344.31
Salary & Wages	998.02	912.33
Utility & Running/Maint Expenses	93.63	95.74
Analytical Fees & Study	18.19	14.74
Finance & Interest Charges	(1.65)	(83.38)
Patent Filling	2.83	6.93
Corporate Social Responsibility Expenses , (Refer note no XXXVI)	14.89	7.86
Administrative Expenses	126.27	153.06
Total	2,653.34	2,451.60
Loss/(Profit) on Sale of Fixed Assets	-	(6.50)
Provision for Doubtful Debts	-	-
Total	-	(6.50)
Grand Total-Note No XXV	14,691.93	13,065.50



NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

Note No. : XXVI

Contingent liabilities not provided for:

(₹ in Lakhs)

Particulars	As At 31st March, 2021	As At 31st March, 2020
a. Letter of Credit against purchase of raw material:		
-Domestic	1004.43	404.26
-Import	2702.62	1520.61
b. Bank Guarantees		
-Inland	20.00	30.00
c. Export obligation in respect of custom duty :	281.55	328.50
d. Contingent Liabilities in respect of unassessed/ assessed (Pending in Appeal) cases of Income Tax, Excise Duty, Sales Tax, Service Tax and Bonus Act.	Unascertained	Unascertained

Note No. : XXVII

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) ₹ 582.43 Lakhs (P.Y. ₹ 325.52 Lakhs)

Note No. : XXVIII

In the opinion of the Board, the Current Assets, Loans & Advances shown in the Balance Sheet have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

Note No. : XXIX

Other expenses under head administrative expenses includes ₹ 3,42,500.00 (Previous Year ₹ 2,77,500.00) paid to directors as sitting fee.

Note No. : XXX

Earning per share is calculated as shown below:-

(₹ in Lakhs)

Particulars	As At 31st March, 2021	As At 31st March, 2020
Profit available for Basic EPS (A)	(439.83)	(2,078.73)
Interest on OCDs (net of Tax) (B)	0.00	423.92
Profit available for Diluted EPS (A+B)	(439.83)	(1,654.81)
For Basic Earning		
No of weighted average equity shares	5,90,86,860	4,94,62,506
For Diluted Earning		
No of weighted average of Diluted Equity Shares	5,90,86,860	5,90,86,860
Nominal Value of Equity Share	10.00	10.00
Earning Per Share (₹)		
Basic	(0.74)	(4.20)
Diluted	(0.74)	(4.20)

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

Note No. : XXXI

In accordance with IND-AS 24, 'Related Party Disclosures' , issued by the Institute of Chartered Accountants of India, the Company has compiled the following information:

a. List of related parties and their relationship

Subsidiary Companies	Ind Swift Laboratories Inc. USA	
	Ind-Swift Middle East FZ-LLC (UAE)	
	Meteoric Life Science Pte Ltd. ,Singapore	
	Halcyon Life Sciences Pvt Ltd. w.e.f. 30th March, 2021	
	Fortune(India) Constructions Ltd. w.e.f. 30th March, 2021	
Key Management personnel/Directors	Sh. N.R. Munjal, Chairman cum Managing Director	
	Sh. Himanshu Jain, Jt. Managing Director	
	Sh. Rishav Mehta, Director	
	Sh. Sahil Munjal, Director	
	Sh. Sunil Deshmukh, CEO w.e.f 1st April, 2021	
	Sh. Gagan Aggarwal, Chief Financial Officer	
	Sh. Pardeep Verma, AVP- Compliance & CS	
	Others (Entities in which KMP or their relative is a Director; or KMP or their relative exercises control)	Dashmesh Medicare Private Limited
		Essix Biosciences Limited
		Ind Swift Limited
Nimbua Green Field (Punjab) Limited		
Mohali Green Environment Private Limited		
Punjab Renewable Energy Pvt Ltd.		
Saidpura Envirotech Private Limited		
Swift Fundamental Research & Education Society		
Sislax Pharma Pvt. Ltd.		
Vibrant Agro Industries Limited		



NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	Others (Entities in which KMP or their relative is a Director; or KMP or their relative exercises control)		Subsidiary	
	2020-21	2019-20	2020-21	2019-20
Nature of Transactions				
1) Transactions during the year				
Purchase	6,204.96	6,395.31		
Sales	6,259.63	6,859.00	5,785.57	4,167.01
Salary	930.62	742.26		
Expenses	491.50	214.90		
Service taken/Capital Exp.		34.79		9.22
2) Outstanding Balances				
Investment	568.80	800.06	4,964.44	1,835.66
Loan & Advances Given	227.95	392.39	2,476.11	5,152.89
Debtors	24,589.05	23,743.25	1,304.49	633.40
Advances Received			(207.56)	(255.80)
Capital Advances			6,352.82	5,461.82

* Related party balances of similar nature are grouped in accordance with para 24 of Ind-AS 24 " Related Party Disclosures"

* Related Party Transaction during the year are considered without taxes.

Note No. : XXXII

The balance in the parties accounts whether in debit or credit are subject to confirmation, reconciliation and adjustment. The impact of the same on the accounts at the year end is not ascertained.

Note No. : XXXIII

Detail of Auditor's Remuneration(i.e. payment to Auditors)

Particulars	As At 31st March, 2021 (₹)	As At 31st March, 2020 (₹)
Statutory Audit Fees	4,00,000	4,00,000
Certification Fees	1,00,000	1,00,000
Total	5,00,000	5,00,000

Note No. : XXXIV

Other Current Assets include due from

(₹ in Lakhs)

	Year Ended	Year Ended	Maximum amount due during the year	
	2020-21	2019-20	2020-21	2019-20
CFO	12.76	12.76	12.76	12.76
CS	8.21	8.21	8.21	12.67

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

Note No. : XXXV

Foreign Currency Expenditure & Income :

(₹ in Lakhs)

	2020-21	2019-20
1 Expenditure in Foreign Currency :		
Interest	0.00	90.64
Commission on Sales	1,054.12	1,263.36
Others	105.21	294.32
Total	1,159.33	1,648.31
2 Earnings in Foreign Currency		
Sale of Goods	63,772.05	55,055.21
Sale of Services	0.00	27.44

Note No. : XXXVI

Expenditure on corporate Responsibility :

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to activities which are specified in Schedule VII of the Companies Act, 2013.

Particulars	₹ in Lakhs
(a) Gross amount required to be spent during the year	56.96
(b) Amount Spent During the year	144.56
(i) Construction /acquisition of any asset	-
(ii) on Purpose other than (i) above	144.56
Balance carried forward to Next Year	87.60

Note No. : XXXVII

Impact of COVID-19

The Company believes strongly that it has a rich portfolio of goods to partner with the customers, yet the future revenue streams could be impacted given the current crisis situation resulting in erratic supply of imported Raw Material from the foreign suppliers, particularly from China.

The Company has considered such impact to the extent known and available to us currently. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration.

The Company has taken steps to assess the cost budgets required to complete its performance obligations in respect of fixed price contracts and also has incorporated the impact of likely delays / increased cost in meeting its obligations, if any. The Company has also assessed the impact of any delays/inability to meet contractual commitments and has taken actions in light of the current crisis to ensure that revenue recognition in such cases reflect realizable values.

The impact assessment of COVID-19 is dynamic, no one knows if any disruption might happen due to any reason of COVID-19. It may also further impact the contractual commitments beyond anticipations.



NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

Note No. : XXXVIII

Lease Liability in accordance with Ind-AS 116

The incremental borrowing rate applied to lease liabilities is 10%.

The movement in ROU - Asset during the year ended 31st March, 2021 is as follows :- (₹ in Lakhs)

Particulars	ROU Assets -Land
Balance as at April, 2020	191.99
Addition	0.00
Depreciation	2.31
Balance as at 31st March, 2021	189.68

The aggregate depreciation expenses on ROU assets is included under depreciation and amortisation expenses in statement of profit & loss account.

The break up of current & non current lease liabilities as at 31st March,, 2021 is as under. (₹ in Lakhs)

Particulars	As at 31st March, 2021
Non Current Liability	48.21
Current Liability	2.72
Total	50.93

The movement in lease liabilities during the year ended 31st March, 2021 (₹ in Lakhs)

Particulars	Year ended 31st March, 2021
Balance at the beginning	48.55
Finance cost accrued during the period	4.86
Payments of Lease Liabilities	2.48
Balance at the end	50.93

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

The details of the contractual maturities of lease liabilities as at 31st March, 2021 on an undiscounted basis are as follows :

(₹ in Lakhs)

Particulars	Year ended 31st March, 2021
Less than one year	2.72
One to five years	12.01
More than five years	2,641.62

Rental Expenses recorded for short term lease was ₹ 53.71 Lakhs for the year ended 31st March, 2021.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

Note No. : XXXIX

Segment Reporting

The Company operates only in one business segment viz. Bulk Drugs & Pharmaceuticals. However the figures in Segment Reporting is based on geographical location of its customers.

(₹ in Lakhs)

	In India	Outside India	Total
Revenue	21,886	63,772	85,658
	(20,101)	(55,083)	(75,184)
Results	8,061	25,351	33,412
	(6,928)	(21,907)	(28,835)
Less: Financial Expenses			10,022
			(10,748)
Less: Unallocated Expenses			24,091
			(23,686)
Add: Operating Income			2,313
			(3,602)
Add Exceptional Items			-
			-
Less: Income Tax Provision			69
Add: Mat Credit Entitlement			(69)
Add: Deferred Tax			948
			(82)
Add : Mat Utilisation			1,104
			0
Profit\Loss) After Tax			(440)
			(2079)
Other Information			
Segment Assets	36,495	9,872	46,367
	(35,193)	(8,775)	(43,968)
Unallocated Assets			1,35,352
			(1,42,052)
Total Assets			1,81,720
			(1,86,020)
Segment Liabilities	9,571	2,824.60	12,396
	(7,210)	(5,502)	(12,712)
Unallocated Liabilities			1,69,324
			(1,73,308)
Total Liabilities			1,81,720





NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

	In India	Outside India	Total
			(1,86,020)
Capital Expenditure			391
			(1,074)
Depreciation			8,729
			(9,006)
Non Cash Expenses Other Than Depreciation			0.00
			(6.50)

Notes:-

1 Geographical Segments

The segment reporting is performed on the basis of the geographical location of customers.

The management views the Indian market and export markets as distinct geographical segments.

2 Segment assets & liabilities

Segment assets consists of debtors , other non-current assets and the segment liabilities consists of creditors.

3 The figures in brackets are in respect of previous year.

Note No. : XL

Post employment Benefits

i) Defined Contribution Plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

ii) Defined Benefit Plan:

A) The Company makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC, a funded defined benefit plan for qualifying employees. The scheme provides for payment as under:

- a) On normal retirement / early retirement / withdrawal / resignation: As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.
- b) On death in service: The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at the Balance Sheet date:

B) The said benefit plan is exposed to actuarial risks such as longevity risk, salary risk, Interest rate risk, liquidity risk, demographic risk, regulatory risk, Investment risk and asset/liability mismatching risk.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

Amount of Expenses Recognized is as follows

Particulars	For the period ending	
	31st March, 2021	31st March, 2020
In Income Statement	1,98,75,975	1,94,00,901
In Other Comprehensive Income	(10,48,281)	(7,55,695)
Total Expenses Recognized during the period	1,88,27,694	1,86,45,206

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

Particulars	For the period ending	
	31st March, 2021	31st March, 2020
Present Value of Obligation as at the beginning	13,20,50,379	11,48,23,017
Current Service Cost	1,20,81,040	1,17,86,025
Interest Expense or Cost	83,79,281	83,42,368
Re-measurement (or Actuarial) (gain) / loss arising from :		
- change in demographic assumptions	0	1,080
- change in financial assumptions	12,43,157	(35,57,003)
experience variance (i.e. Actual experience vs. assumptions)	(30,43,877)	21,27,748
- others		
Past Service Cost		
Effect of change in foreign exchange rates		
Benefits Paid	(47,06,432)	(14,72,856)
Acquisition Adjustment		
Effect of business combinations or disposals		
Present Value of Obligation as at the end	14,60,03,548	13,20,50,379

Bifurcation of Present Value of Obligation at the end of the year as per revised Schedule III of the Companies Act, 2013

Particulars	As on	
	31st March, 2021	31st March, 2020
Current Liability (Short term)	2,05,31,368	2,35,44,451
Non-Current Liability (Long term)	1,25,47,2180	10,85,05,928
Present Value of Obligation	14,60,03,548	13,20,50,379

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

Particulars	For the period ending	
	31st March, 2021	31st March, 2020
Fair Value of Plan Assets as at the beginning	92,08,800	10013094
Investment Income	5,84,346	7,27,492
Employer's Contribution	6,17,013	6,13,550
Employee's Contribution		
Benefits Paid	(47,06,432)	(14,72,856)
Return on plan assets , excluding amount recognised in net interest expense	(7,52,439)	(6,72,480)
Acquisition Adjustment		
Fair Value of Plan Assets as at the end	49,51,288	92,08,800



NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

Expenses Recognised in the Income Statement is as follows

Particulars	For the period ending	
	31st March, 2021	31st March, 2020
Current Service Cost	1,20,81,040	1,17,86,025
Past Service Cost		
Loss / (Gain) on settlement		
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	77,94,935	76,14,876
Expenses Recognised in the Income Statement	1,98,75,975	1,94,00,901

Expenses Recognised in the Other comprehensive income is as follows

Particulars	For the period ending	
	31st March, 2021	31st March, 2020
Actuarial (gains) / losses		
- change in demographic assumptions	0	1,080
- change in financial assumptions	12,43,157	(35,57,003)
-experience variance (i.e. Actual experience vs. assumptions)	(30,43,877)	21,27,748
- others		
Return on plan assets, excluding amount recognised assumptions)	7,52,439	6,72,480
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling		
Components of defined benefit costs recognised in because of change in effect of asset ceiling	(10,48,281)	(7,55,695)

The principal financial assumptions used in the valuation are shown in the table below:

Particulars	As on	
	31st March, 2021	31st March, 2020
Discount rate (per annum)	6.20%	6.35%
Salary growth rate (per annum)	7.00%	7.00%
Retirement age	58 years	58 years
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

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 on	
	31st March, 2021	31st March, 2020
Present Value of Obligation	13,20,50,379	14,60,03,548
Fair Value of Plan Assets	92,08,800	49,51,288
Surplus / (Deficit)	(12,28,41,579)	(14,10,52,260)
Effects of Asset Ceiling, if any		
Net Asset / (Liability)	(12,28,41,579)	(14,10,52,260)

iii) Compensatory absences

Actuarial Valuation for Compensated Absences is done as at the year end and the provision is made as per Company rules with corresponding charge to the Statement of Profit and Loss amounting to ₹ 40.85 Lakhs (Previous Year -4.71 Lakhs) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

Note No. : XLI

Previous year figures have been regrouped, rearranged wherever considered necessary for comparison.

AS PER OUR SEPARATE REPORT OF EVEN DATE
For Avishkar Singhal & Associates
Chartered Accountants
(Regd.No 017362N)

CA Avishkar Singhal
Partner
M.No. 098689

Place: Chandigarh
Date : 29th June, 2021



For and on behalf of the Board of Directors
N. R. Munjal
Chairman
and Managing Director
DIN-00015096

CA L.K. Mahajan
Chief Accounts Officer

Pardeep Verma
AVP - Compliance & CS

Himanshu Jain
Joint Managing Director
DIN-00014533

Gagan Aggarwal
Chief Financial Officer



NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

Note No. : XLII

SIGNIFICANT ACCOUNTING POLICIES :

1 Background

Headquartered in Chandigarh, India, Ind-Swift Laboratories Ltd is a public limited company incorporated on 4th January, 1995 under the provision of Companies Act, 2013. Company is global manufacturer of APIs, intermediates and formulations (through group collaboration). Having commenced operations in 1997 as an API manufacturer, the Company continued to focus on this business domain as its key business driver.

2.0 Statement of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable. For periods up to and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the then applicable accounting standards in India ('previous GAAP').

2.1 Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for: - certain financial assets and liabilities.

2.2 Property plant & equipment

2.2.1 Cost of property plant & equipment

All property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are valued at cost/revalued cost net of tax credit wherever eligible. Cost includes all expenses and borrowing cost attributable to the project till the date of commercial production / ready to use. Any asset transferred to assets held for sale is valued at cost or NRV whichever is lower.

2.2.2 Depreciation /amortization

Depreciation is recognised so as to write off the cost of assets (other than freehold land and

properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation is provided on straight line method at the rates specified in Schedule II of the Companies Act 2013 on pro rata basis and the assets having the value up to ₹ 5000 have been depreciated at the rate of 100%. The policy of Company is to provide depreciation on the buildings, plant & machinery and other fixed assets from the date of commercial production/ ready to use.

2.2.3 Investment property

Properties that is held for long-term rentals or for capital appreciation or both, and that is not occupied by the group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of the investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property are depreciated using the straight line method over their estimated useful lives.

On transition to Ind AS, the group has elected to continue with the carrying value of its investment property recognised as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

2.2.4 Intangible assets (other assets)

Intangible assets with definite useful lives are subject to amortization and are reviewed to determine whether there is any indication that carrying value of these assets may not be recoverable. Management judgment is required in the area of intangible assets loss particularly in assessing:

Whether an event has occurred that may indicate that the related assets values may not be recoverable or

Whether the carrying value of an intangible assets can be supported by the recoverable amount, being the fair value less costs to sell or net present value of future cash flows which are estimated based upon the continued use of the asset in the group.

Useful lives of intangible assets:

Intangible assets related to r&d are amortised over the period of 5 years on straight line method.

2.2.5 Leases

The Company's lease asset classes consist primarily of 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: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) 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 (rou) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 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.

The rou assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Rou assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Rou assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

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

Lease liabilities are remeasured with a corresponding adjustment to the related rou asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and rou assets have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

2.3 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets have been capitalised as part of cost of assets. Other borrowing costs are recognised as an expense in the period in which they are incurred.



NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

2.4 Inventories

Inventories are valued at lower of cost and net realisable value, cost includes all charges in bringing the goods to point of sale. Cost is determined as follows.

- 2.4.1 Raw materials and stores and spares are valued on weighted average basis.
- 2.4.2 Work in process is valued at estimated cost basis and an appropriate share of production overheads or net realisable value whichever is less.
- 2.4.3 Finished goods are valued at cost and an appropriate share of production overheads or net realisable value whichever is less.
- 2.4.4 Stock in trade are valued at weighted average basis.

2.5 Revenue recognition

The Company derives revenues primarily from sale of api business.

Ind as 115 "revenue from contracts with customers" provides a control-based revenue recognition model and provides a

Five step application approach to be followed for revenue recognition.

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

"Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer. Revenue excludes amounts collected on behalf of third parties. The disclosures of significant accounting

judgements, estimates and assumptions relating to revenue from contracts with customers are provided in note xv and disclosures of transition approach along with impact of adoption of ind as 115 on financial statements are provided in note 2.18"

2.5.1 Sale of goods

For sale of goods, revenue is recognised when control of the goods has transferred at a point in time i.E. When the goods have been delivered to the specific location (delivery). Following delivery, the customer has full discretion over the responsibility, manner of distribution, price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Payment is due within 0-180 days. The Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

2.5.2 Contract balances

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). Refer to accounting policies of financial assets.

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

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

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.

2.5.3 Cost to obtain a contract

The Company pays sales commission to its selling agents for each contract that they obtain for the Company. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions (included in advertisement and sales promotion expense under other expenses) because the amortization period of the asset that the Company otherwise would have used is one year or less.

Costs to fulfil a contract i.e. Freight, insurance and other selling expenses are recognized as an expense in the period in which related revenue is recognised.

2.5.4 Other revenue streams

Export & other incentives

In case of sale made by the Company as manufacturer, export benefits arising from duty entitlement pass book (depb), merchandise export incentive scheme, and focus market scheme are recognised on accrual basis on fulfilment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same. These incentives include estimated realisable values/benefits from special import licenses and benefits under specified schemes as applicable.

In case of sale made by the Company as manufacturer, export benefits arising from duty drawback scheme, rebate of state levies (ros), and rebate of state and central taxes and levies (rosctl), are recognised on sale of such goods in accordance with the agreed terms and conditions with customers.

Revenue from exports benefits measured at the fair value of consideration received or receivable net of returns and allowances, cash discounts, trade discounts and volume rebates.

Obligation / entitlements on account of advance licenses scheme for import of raw materials are not accounted for as income and correspondingly no expenses is booked at time of payment of custom duty. Custom duty amount of pending export obligations are shown as contingent liability by way of note.

Rendering of services

Revenue from rendering of services is recognised when the performance obligation to render the services are completed as per contractually agreed terms.

Dividend

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

2.6 Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing at the date of the transactions. The gain or loss arising from forward transactions have been recognised in the year in which the contract has been cancelled/ matured. Monetary assets & current liabilities are translated at year end exchange rates. The resulting gain or loss on translation or settlement is recognised in the profit & loss account except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

In translating the financial statement of representative foreign offices for incorporation in main financial statements, the monetary assets and liabilities are translated at the closing rates non monetary assets and



NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

liabilities are translated at exchange rates prevailing at the dates of the transactions and income and expenses items are converted at the yearly average rate.

2.7 Retirement benefits

The retirement benefits of the employees include gratuity, provident fund & compensated absences.

"Defined benefit plans for defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The group presents the first two components of defined benefit costs in statement of profit and loss in the line item 'employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Defined contribution plans which include contribution to the provident fund are recognised as expense when employees have rendered services entitling them to such benefits.

The compensated absences are provided on the basis of actuarial valuation of employees entitlement in accordance with Company's rules.

2.8 Share based payment arrangements

Share-based payment transactions of the Company equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.9 Taxation

2.9.1 Current tax

Current tax is the tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include minimum alternate tax (mat) paid in accordance with the tax laws in india, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, mat is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.10 Provision, contingent liabilities and contingent assets

A provision is recognized when there is a present obligation as a result of a past event, that probably requires an outflow of resources and a reliable estimate can be made to settle the amount of obligation. Provision is discounted to its present value wherever required and is determined based on the last estimate required to settle the obligation at the year end. These are reviewed at each year end and adjusted to reflect the best current estimate. Contingent liabilities are disclosed in notes when there is a possible obligation that rises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are neither recognized nor disclosed in the financial statements.

2.11 Government grants

Government grants are initially recognised as income at fair value if there is reasonable assurance that they will be received and the group will comply with the conditions associated with the grant;

- In case of capital grants, they are then recognised in statement of profit and loss as other income on a systematic basis over the useful life of the asset.
- In case of grants that compensate the group for expenses incurred are recognised in consolidated statement of profit and loss on a systematic basis in the periods in which the expenses are recognised.



NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

2.12 Financial instruments

2.12.1 Investment in subsidiaries, associates and joint ventures

The Company has accounted for its investments in subsidiaries, associates and joint ventures at cost less impairment.

2.12.2 Other financial assets and financial liabilities

Other financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments.

Initial recognition and measurement: other 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. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

Subsequent measurement: financial assets at amortised cost. Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business whose objective is achieved by both collecting contractual cash flows on specified dates that

are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit & loss account

"Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

Financial liabilities

Recognition of financial liabilities

Financial liabilities are measured at amortised cost using effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

De-recognition of financial liabilities

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non cash assets transferred or liabilities assumed shall be recognised in profit or loss account. Further the Company applies extinguishment accounting/ modification accounting as per ind-as 109.

2.12.3 Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

2.13 Impairment of assets

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 group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. 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 statement of profit and loss.

2.14 Trade receivables & advances

Sundry debtors outstanding for more than three years at the end of balance sheet date will be written off from the books of accounts except disputed debtors having matters pending under different courts. Other advances and related party balances outstanding for more than 3 years are reviewed by the management at the end of every financial year and are written off as per the judgment of the management.

2.15 Operating cycle

Based on the nature of products / activities of the group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.16 Key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts 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 recognised 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 periods if the revision affects both current and future periods. The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2.16.1 Useful lives of property, plant and equipment and intangible assets

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods.

2.16.2 Employee benefits

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about



NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2021

discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

2.16.3 Litigations

As explained in note 39.1, The Company is a party to certain commercial disputes and has also received notification of claims for significant amounts. There are number of

factors that may affect the ultimate outcome in respect of this matter and accordingly, it is difficult to assess the impact of these disputes with accuracy.

2.17 Other accounting policies

Accounting policies not specifically referred to are in accordance with generally accepted accounting principles including the indian accounting standards (ind as) prescribed under section 133 of the act.

AS PER OUR SEPARATE REPORT OF EVEN DATE

For **Avishkar Singhal & Associates**
Chartered Accountants
(Regd.No 017362N)

CA Avishkar Singhal
Partner
M.No. 098689

Place: Chandigarh
Date : 29th June, 2021

For and on behalf of the Board of Directors

N. R. Munjal
Chairman
and Managing Director
DIN-00015096

CA L.K. Mahajan
Chief Accounts Officer

Pardeep Verma
AVP - Compliance & CS

Himanshu Jain
Joint Managing Director
DIN-00014533

Gagan Aggarwal
Chief Financial Officer

