FDC Limited

MANUFACTURERS & EXPORTERS OF FOODS, DRUGS & CHEMICALS

September 08, 2020

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra – Kurla Complex, Bandra (E),
Mumbai – 400 051

Ref.: BSE Scrip Code: 531599 and NSE Symbol - FDC

Sub.: Notice of the 80th Annual General Meeting and Annual Report for the Financial Year 2019-20

Dear Sir / Madam,

This is to inform you that the 80th Annual General Meeting ("AGM") of the Company will be held on **Wednesday, September 30, 2020 at 10:00 a.m.** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

We are enclosing herewith the Notice of the 80th AGM along with the Annual Report for the financial year ended on March 31, 2020.

The same is being dispatched to the shareholders of the Company by the permitted mode(s).

The Notice and Annual Report are also available on the Company's website at www.fdcindia.com.

Kindly take the above on record.

Thanking you,

Yours truly,
For **FDC LIMITED**

VARSHARANI KATRE Digitally signed by VARSHARANI KATRE Date: 2020.09.08 16:37:45 +05'30'

Company Secretary
Encl: a/a

CORPORATE OFFICE : 142-48, S. V. Road, Jogeshwari (W), Mumbai - 400 102. INDIA
Tel.: +91-22-6291 7900 / 950 / 2678 0652 / 2653 / 2656 • Fax : +91-22-2677 3462
E-mail : fdc@fdcindia.com • Website : www.fdcindia.com

REGISTERED OFFICE : B-8, M.I.D.C. Industrial Area, Waluj - 431 136, Dist. Aurangabad. INDIA
Tel.: 0240-255 4407 / 255 4299 / 255 4967 • Fax : 0240-255 4299
E-mail : waluj@fdcindia.com • CIN : L24239MH1940PLC003176

FDC Limited

CIN NO: L24239MH1940PLC003176

Registered Office: B-8, MIDC Industrial Estate, Waluj – 431 136, District Aurangabad, Maharashtra

R&D, Training Centre and Corp. Office: 142-48, Swami Vivekananda Road, Jogeshwari (West), Mumbai - 400 102

Website: www.fdcindia.com; **E-mail Id:** investors@fdcindia.com

Tel: 022 - 26739100

NOTICE is hereby given that the Eightieth Annual General Meeting of **FDC Limited** will be held on **Wednesday, 30th September, 2020, at 10.00 a.m.** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Standalone and Consolidated Financial Statement of the Company for the Financial Year ended March 31, 2020 together with the Reports of the Board of Directors and Auditors thereon.**

2. **To appoint a Director in place of Mr. Ashok A. Chandavarkar (DIN: 00042719) who retires by rotation and being eligible, offers himself for re-appointment.**

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass the following resolution as **Special Resolution**:

   "RESOLVED THAT pursuant to provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable statutes, laws, rule(s), regulation(s), guideline(s), circular(s) etc., in force at the relevant time (including any statutory modifications, amendments or re-enactments thereof), approval of the shareholders be and are hereby accorded for the reappointment of Mr. Ashok A. Chandavarkar (DIN: 00042719), as an Executive Director of the Company for a period of 5 (five) years w.e.f. March 01, 2021, on the following terms and conditions including remuneration and perquisites upto a maximum as recommended by Nomination and Remuneration Committee of the Board as may be permitted under Schedule V of the Companies Act, 2013, or any modification or re-enactment thereof as in force for the period covered under the Agreement to be entered into by the Company with Mr. Ashok A. Chandavarkar (DIN: 00042719) or on the basis of such other law or notification as may be permissible or applicable: ("said appointee"):

   1. The material terms of the said Agreement are as follows:

      i. Term: March 01, 2021 to February 28, 2026.

      ii. Salary: From March 01, 2021 to February 28, 2026 shall be Rs. 2,76,623/- (Rupees Two Lakhs Seventy Six Thousand Six Hundred Twenty Three Only) p. m. with an annual increment of Rs. 10,000/- (Rupees Ten Thousand Only) in the basic salary, upto maximum of Rs. 3,16,623/- (Rupees Three Lakhs Sixteen Thousand Six Hundred Twenty Three Only) p.m. as the maximum.

          Annual increments every year, for the term, will be effective from April.

      iii. Commission: In addition to salary and perquisites, commission not exceeding 0.40% percent of the net profits of the Company in a financial year, computed in the manner laid down in Section 198 of the Companies Act, 2013 and subject to the overall ceilings laid-down under Sections 198 of the Companies Act, 2013.

   2. Perquisites: In addition to the salary and commission as mentioned in clause 1 above, the said appointee shall be entitled to perquisites as under:

      i. Housing: The expenditure incurred by the company on hiring furnished accommodation for the appointee shall be subject to a ceiling of 60% of his salary. However, if the Company does not provide the appointee residential accommodation, the said appointee is entitled to house rent allowance of 60% of his salary. Besides, the Company shall provide amenities such as gas, electricity, water and furnishings subject to a ceiling of 10% of salary, computed as per Income Tax Rules, 1962.

ii. Medical, hospitalization and health care expenses: Reimbursement of medical, hospital and nursing expenses including mediclaim policy premium paid by the Company and where recommended by a medical practitioner, travelling expenses for this purpose in or outside India for himself, his spouse and dependent children actually incurred subject to a ceiling of 1 (one) month's salary per year or 3, (three) months' salary in a block period of 3 (three) years.

iii. Leave Travel Concession: For the appointee, his wife and dependent children once a year, in accordance with any rules specified by the Company subject to a ceiling of 1 (one) month's salary during leave for holidaying in any place or places in India not more frequently than once in a year, including travelling expenses by air and/or air-conditioned first class by rail, subject to a condition that he will not be entitled to any expenses of stay at any holiday resort.

iv. Club Fees: Reimbursement of club fees, subject to a maximum of 2 (two) clubs, excluding life membership and admission fees.

v. Personal Accident Insurance: As per any rules specified by the Company.

vi. Health Mediclaim Insurance: As per any rules specified by the Company.

vii. Provident Fund : Company's contribution to provident fund shall be as per the scheme applicable to the employee's of the Company, but not exceeding 12% of the salary or such other limits as prescribed by the Government.

viii. Gratuity: As per the rules of the Company, payable in accordance with the approved gratuity fund which shall not exceed half month's salary for each completed year of service.

ix. Ex- Gratia: In accordance with the Company's rules and regulations in force from time to time.

x. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the said appointee.

xi. Land line telephone/mobile phone/internet for official use.

3. Where in any financial year during the currency of the tenure of the said appointee the Company has no profit or inadequacy of profits, the remuneration by way of salary, commission and perquisites shall not exceed, the maximum limits prescribed in Schedule V to the Companies Act, 2013, except with the approval of the Central Government wherever necessary.

4. The said appointee shall be eligible for annual privilege leave on full salary for a period of 21 (twenty one) days and such leave shall be allowed to be accumulated for not more than 90 (ninety) days during the tenure of his appointment. Encashment of unavailed privilege leave at the end of the tenure of appointment will not be included in the computation of the ceiling on perquisites.

5. The said appointee shall be entitled to:

   i. Reimbursement of expenses actually and properly incurred for the business of the Company as well as other expenses incurred by the appointee in the performance of duties on behalf of the Company.

   ii. The reimbursement of travelling, hotel and other expenses incurred by the appointee in India and abroad exclusively for the business of the Company.

6. The said appointee shall unless prevented by ill-health throughout the said term devote his whole time attention and abilities to the business of the Company and shall carry out the directions issued from time to time by the Board of Directors and shall in all respects conform to and comply with the directions and regulations made by the board and shall well and faithfully serve the Company and use his utmost endeavors to promote the interests of the Company.

7. The salary payable to the said appointee in terms of Clause 1, hereof shall continue to be paid to him in full during the first 6 (six) months of his illness or for causes beyond his control which would enforce his absence from duties and thereafter at the rate of one half of such salary during such absence until he shall have been so absent for a continuous period of 12 (twelve) months or until this Agreement is determined as hereinafter provided, whichever is earlier.

8. The said appointee shall not at any time or times during or after the continuance of his employment divulge, disclose or make public any of the secrets regarding the accounts, transactions or processes or regarding specifications, technical and patent information, formulae and know-how to be used for the manufacture or processing of drugs and products of the

Company or any of the secrets regarding its plant, facilities, machinery and equipments, information and organization of production and material flow as well as methods and procedures of production or dealings of the Company which shall come to his knowledge whether the same shall be confided to him or become known to him as director or in any other manner whatsoever during the course of his employment.

9. In the case of death of the said appointee in the course of his employment, the Company shall pay to his legal representatives the remuneration for the then current month in addition to such other sum as the Board may determine.

10. If the said appointee shall, in the opinion of the Board of Directors, fail for 6 (six) consecutive months to perform or be negligent in his duty to the Company, the Company may by notice in writing determine this Agreement.

11. The said appointee shall not during the continuance of this Agreement, or for a period of 3 (three) years after the termination thereof, without the consent in writing of the Company, either solely or jointly with or as manager or agent for any other person or persons directly or indirectly carry on or be engaged in such business as the Company has been carrying on for the last preceding 3 (three) years.

12. The said appointee hereby agrees that he will not at any time after determination of his employment:

    i. Solicit the custom of or deal with any person or Company who has during the three/five years preceding such determination been a customer of Company; and

    ii. Represent himself as being in any way directly or indirectly connected with or interested in the business of the Company.

13. Subject to Section 191 of the Companies Act, 2013 in the event of the Company at any time transferring its undertaking to another Company for any reason whatsoever the Company may make it one of the terms and conditions of such transfer that such other Company shall appoint the said appointee as a member of such other Company upon the same terms and conditions as are herein contained.

14. In the event of the Company being wound up voluntarily and in case it is able to pay its debts, the said appointee shall be paid by the Company or by its liquidator in priority to all other creditors as compensation for the loss of his employment as the appointee the sum equal to his 12 (twelve) months' remuneration consisting of salary on the basis of the last salary drawn and such compensation shall at all times be the first charge on the assets of the Company.

15. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate this Agreement, at anytime giving the other party 90 (ninety) days notice in writing in that behalf.

4. To ratify appointment and remuneration of the Cost Auditors for the Financial Year 2020 – 2021 as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force, and as recommended by the Audit Committee, M/s. Sevekari Khare and Associates, Cost Accountants (Firm Registration No. 000084), Mumbai, be and are hereby appointed as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2021.

RESOLVED FURTHER THAT M/s. Sevekari Khare and Associates, be paid a total remuneration of Rs. 4,75,000/- (Rupees Four Lakhs and Seventy Five Thousand Only) and out of pocket expenses plus taxes, as recommended by the Audit Committee.

RESOLVED FURTHER THAT Mr. Mohan A. Chandavarkar, Managing Director or Mr. Nandan M. Chandavarkar, Joint Managing Director or Mr. Ashok A. Chandavarkar or Mr. Ameya A. Chandavarkar or Ms. Nomita R. Chandavarkar, Directors and Ms. Varsharani Katre, Company Secretary, be and are hereby authorised severally to sign (including electronic digital signatures) all such e-forms, documents and to do all such acts, deeds and things as may be necessary for giving effect to the above resolution."

By Order of the Board

Varsharani Katre
Company Secretary
FCS: 8948

Place: Mumbai
Date: August 07, 2020

NOTES:

1. In view of the global outbreak of COVID-19, the Ministry of Corporate Affairs **("MCA")**, has vide its General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19" and General Circular No. 20/2020 dated May 05, 2020, in relation to "Clarification on holding of Annual General Meeting **("AGM")** through Video Conferencing **("VC")** or Other Audio Visual Means **("OAVM")** (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: COVID-19 pandemic" **("SEBI Circular")** have permitted the holding of the AGM through VC/ OAVM, without the physical presence of the Members at a common venue. In compliance with the applicable provisions of the Companies Act, 2013 **(the "Act")** (including any statutory modification or re-enactment thereof for the time being in force) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 **(the "Rules")**, as amended from time to time, read with the MCA Circulars, SEBI Circular and pursuant to Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("SEBI Listing Regulations")** the AGM of the Company is scheduled to be held on Wednesday, September 30, 2020 at 10:00 noon **(IST)** through VC/OAVM and the voting for items to be transacted in the Notice to this AGM only through electronic voting process **("e-voting")**.

2. The deemed venue for 80th AGM shall be the Registered Office of the Company at B-8, MIDC Industrial Area, Waluj – 431136, Dist. Aurangabad, India.

3. The relative Explanatory Statement pursuant to Section 102 of the Act and the relevant details of the Director seeking reappointment as set out in Item No. 3 above as required under Regulation 36(3) of the SEBI Listing Regulations and under Secretarial Standard -2 on General Meetings issued by the Institute of Company Secretaries of India, is annexed.

4. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the company. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, the requirement of physical attendance of members has been dispensed with. Accordingly, in terms of the MCA circulars and the SEBI circular, the facility for appointment of proxies by the members will not be available for this AGM and hence, the proxy form, attendance slip and route map of AGM are not annexed to this notice.

5. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the AGM through VC/OAVM facility. Corporate Members intending to appoint their authorized representatives to attend the AGM through VC/OAVM and to vote thereat through remote e-voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by e-mail at sanjayrd65@gmail.com with a copy marked to evoting@nsdl.co.in and investors@fdcindia.com

6. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

8. The Members can join the AGM through VC/OAVM mode 30 minutes before the scheduled time of the commencement of the AGM and the members can also join after the commencement of the AGM till the expiry of 15 minutes after such scheduled time by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on National Securities Depository Limited ("NSDL") e-voting website at www.evoting.nsdl.com. The facility of participation at the AGM through VC/ OAVM will be made available to atleast 1,000 Members on a first come first served basis as per the MCA Circulars. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnels, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

9. Further, due to non-availability of postal and courier services, on account of the threat posed by COVID-19 and in terms of the MCA Circulars and the SEBI Circular, the Company is sending this AGM Notice along with the Annual Report for the financial year 2019-20, in electronic form only to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the AGM and the Annual Report for financial year 2019-20, has been uploaded on the website of the Company at www.fdcindia.com and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited

("BSE") and National Stock Exchange of India Limited ("NSE") at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also available on the website of NSDL at www.evoting.nsdl.com.

10. Pursuant to Section 91 of the Companies Act, 2013 the Register of Members and Share Transfer Books of the Company will remain closed from September 24, 2020 to September 30, 2020 (both days inclusive).

11. To receive the dividend in a timely manner, Members holding shares in physical form, who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service ("ECS") or any other means, are requested to send hard copies of the following details/documents to the Company's Registrar and Share Transfer Agent ("RTA"), viz. Link Intime India Private Limited ("Link Intime") at C-101, 247 Park, 1st Floor, L.B.S. Marg, Vikhroli (W), Mumbai – 400083, at the earliest in manner as mentioned below.

    a) a signed request letter mentioning your Name, Folio Number, complete address and following details relating to Bank Account in which the dividend is to be received:

        i) Name and Branch of Bank and Bank Account type;

        ii) Bank Account Number and type allotted by your bank after implementation of Core Banking Solutions; and

        iii) 11 digits IFSC Code.

    b) Self-attested copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;

    c) Self-attested copy of the PAN Card; and

    d) Self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

12. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/deletion in such bank details. Further, instructions, if any, already given by them in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form. Members may, therefore, give instructions to their DP regarding bank accounts in which they wish to receive dividend.

13. For Members who are unable to receive the dividend directly in their bank accounts through ECS or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/bankers' cheque/demand draft to such Members upon normalisation of the postal services.

    As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form.

14. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination and power of attorney, Bank Mandate details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DP in case the shares are held in electronic form and to the RTA in case the shares are held in physical form.

15. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long.

16. To receive communications through electronic means, including Annual Reports and Notices, members are requested to kindly register/update their e-mail address with their respective depository participant, where shares are held in electronic form. In case of shares held in physical form, members are advised to register their e-mail address with RTA: Link Intime, by mailing on support@sharexindia.com

17. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members, who have not yet registered their nomination, are requested to register the same by submitting Form No. SH -13. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the RTA in case the shares are held in physical form.

18. Members holding shares in physical form, in identical order of names, in more than one folio, are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

19. Members are requested to note that dividends, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, the shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company within the stipulated timeline.

    It may be noted that unclaimed dividend for the financial year 2012-13 declared on August 31, 2013 is due to be transferred to the IEPF by October 2020. The same can, however, be claimed by the members on or before September 30, 2020.

    Members who have not encashed the dividend warrant(s) from the financial year ended March 31, 2013, may forward their claims to the Company's RTA at support@sharexindia.com before they are due to be transferred to the IEPF, details of which are given in the Corporate Governance Report.

    Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in e-form/web form no. IEPF-5 available on www.iepf.gov.in and www.mca.gov.in respectively. Members/ Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

20. Members desiring inspection of statutory registers and other relevant documents of the Company during the AGM may send their request in writing to the Company at investors@fdcindia.com upto the date of the AGM.

21. This AGM Notice is being sent by e-mail only to those eligible Members who have already registered their e-mail address with the Depositories/the DP/the Company's RTA/the Company on or before September 04, 2020.

22. For registration of e-mail address, Members are requested to register their e-mail address, in respect of electronic holdings, with their concerned DP and in respect of physical holdings, with the RTA.

23. Process and manner for Members opting for e-voting is, as under:

    I. In compliance with the provisions of Sections 108 and other applicable provisions of the Act, read with Rule 20 of the Rules and Regulation 44 of the SEBI Listing Regulations, the Company is offering only e-voting facility to all the Members of the Company and the business will be transacted only through the electronic voting system. The Company has engaged the services of NSDL for facilitating e-voting to enable the Members to cast their votes electronically as well as for e-voting during the AGM. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if it/ they have been passed at the AGM.

    II. Members are provided with the facility for voting through voting system during the VC/OAVM proceedings at the AGM and Members participating at the AGM, who have not cast their vote by remote e-voting, are eligible to exercise their right to vote at the AGM.

    III. Members who have already cast their vote by remote e-voting prior to the AGM will also be eligible to participate at the AGM but shall not be entitled to cast their vote again on such resolution(s) for which the Member has already cast the vote through remote e-voting.

    IV. Members of the Company holding shares either in physical form or electronic form as on the cut-off date of September 22, 2020, may cast their vote by remote e-voting. The remote e-voting period commences on Sunday, September 27, 2020 at 9:00 a.m. (IST) and ends on Tuesday, September 29, 2020 at 5:00 p.m. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

V. The instructions for Members attending the AGM through VC/OAVM are as under:

a) The Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system and they may access the same at www.evoting.nsdl.com under the Shareholders/Members login by using the remote e-voting credentials, where the EVEN of the Company will be displayed. On clicking this link, the Members will be able to attend and participate in the proceedings of the AGM through a live webcast of the meeting and submit votes on announcement by the Chairman. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush. Further, Members may also use the OTP based login for logging into the e-voting system of NSDL.

b) Members may join the AGM through laptops, smartphones, tablets and ipads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from mobile devices or tablets or through laptops connecting via mobile hotspot may experience Audio/ Video loss due to fluctuation in their respective network. It is, therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.

c) Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's e-mail address at investors@fdcindia.com on or before September 22, 2020.

d) Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in or call on toll free No.: 1800-222-990 or contact Mr. Amit Vishal, Senior Manager - NSDL at amitv@nsdl.co.in or call on +91 22 24994360.

VI. The instructions for Members for e-voting are as under: The way to vote electronically on NSDL e-voting system consists of 'Two Steps' which are mentioned below: Step 1: Log-in to NSDL e-voting system at www.evoting.nsdl.com.

How to Log-in to NSDL e-voting website?

a) Visit the e-voting website of NSDL. Open web browser by typing the following: www.evoting.nsdl.com either on a Personal Computer or on a mobile.

b) Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholders' section.

c) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

d) Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical		Your User ID is:
i)	For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
ii)	For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
iii)	For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company. For example if Folio Number is 001*** and EVEN is 101456 then user ID is 101456001***

e) Your password details are given below:

   i) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

   ii) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will compel you to change your password.

   iii) How to retrieve your 'initial password'? If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit Client ID for NSDL account, last 8 digits of Client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

f) If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

   i) Click on 'Forgot User Details/ Password?' (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   ii) Physical User Reset Password?' (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   iii) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

g) After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.

h) Now, you will have to click on 'Login' button.

   i) After you click on the 'Login' button, Home page of e-voting will open.

   Step 2: Cast your vote electronically on NSDL e-voting system.

   How to cast your vote electronically on NSDL e-voting system?

   a) After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.

   b) After clicking on Active Voting Cycles, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle is in active status.

   c) Select 'EVEN' of company for which you wish to cast your vote.

   d) Now you are ready for e-voting as the voting page opens.

   e) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.

   f) Upon confirmation, the message 'Vote cast successfully' will be displayed.

   g) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

   h) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

VII. The instructions for Members for e-voting during the proceedings of the AGM are, as under:

a) The procedure for e-voting during the AGM is same as the instructions mentioned above for remote e-voting since the Meeting is being held through VC/OAVM.

b) Only those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

General Guidelines for Members

a) Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to sanjayrd65@gmail.com with a copy marked to evoting@nsdl.co.in

b) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.

c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free No. : 1800 - 222 - 990 or send a request at evoting@nsdl.co.in

d) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

VIII. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of September 22, 2020.

IX. Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. September 22, 2020, may obtain the login ID and password by sending a request at evoting@nsdl.co.in

X. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, as well as voting at the meeting.

XI. The Board of Directors has appointed M/s. Sanjay Dholakia & Associates, Practising Company Secretary (C.P. No. 1798), as Scrutinizer to scrutinize the voting at the AGM and remote e-voting process, in a fair and transparent manner.

XII. At the end of discussion on the resolutions on which voting is to be held, voting by use of e-voting system will be allowed for all those Members who are present during the AGM through VC/OAVM but have not cast their votes by availing the e-voting facility. The e-voting module during the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.

XIII. The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast during the AGM and, thereafter, unblock the votes cast through remote e-voting and shall make, not later than 48 hours from the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XIV. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website www.fdcindia.com and on the website of NSDL www.evoting.nsdl.com, immediately after the declaration of the result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the Company's Equity Shares are listed viz. BSE and NSE and be made available on their respective websites viz. www.bseindia.com and www.nseindia.com.

Process for those shareholders whose email ids are not registered with the depositories for procuring User ID and Password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide folio no., name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) by email to investors@fdcindia.com

   In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), name, client master or copy of consolidated account statement, PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) to investors@fdcindia.com

2. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by providing the details mentioned in Point (1) or (2) as the case may be.

By Order of the Board

Varsharani Katre
Company Secretary
FCS: 8948

Place: Mumbai
Date: August 07, 2020

I. EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 ("THE ACT")

Item No.03

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, has re-appointed Mr. Ashok A. Chandavarkar as Wholetime Director, for a period of 5 (five) years with effect from March 01, 2021 to February 28, 2026, at its meeting held on August 07, 2020. His re-appointment is subject to the approval of the Members.

Mr. Ashok A. Chandavarkar is on the Board of the Company as an Executive Director. He is also the Member of Corporate Social Responsibility Committee and the Stakeholders Relationship Committee of the Company.

Mr. Chandavarkar is a Bachelor of Engineering (Mechanical) having extensive experience in manufacture and marketing fine chemicals and pharmaceuticals. He joined FDC Limited in the year 1987. Mr. Chandavarkar is entirely responsible for the Company's Materials Procurement. Besides, vocational proficiency, he is a hard-core Rotarian, Past President of Rotary Club of Bombay Seacoast. In his Rotary career, he has received many accreditations from Rotary India and Rotary International.

Mr. Chandavarkar does not hold shares of FDC Limited as on March 31, 2019. The terms and conditions of reappointment including the remuneration payable to Mr. Chandavarkar is laid out in the Resolution No. 3 of the accompanying Notice.

Mr. Chandavarkar satisfies all the conditions set out in Part-I of Schedule V of the Companies Act, 2013 and the conditions set out under sub-section (3) of Section 196 of the Act for being eligible for re-appointment as Wholetime Director of the Company.

He is also not disqualified from being appointed as Director in terms of Section 164 of the Act. The Board considers that the association with Mr. Chandavarkar would be of immense benefit to the Company.

Mr. Mohan A. Chandavarkar and Mr. Ameya A. Chandavarkar being related to Mr. Ashok A. Chandavarkar and Mr. Ashok A. Chandavarkar himself are deemed to be interested or concerned in the resolution as enumerated above.

The relatives of Mr. Ashok A. Chandavarkar may be deemed to be interested in the Resolution set out at Item No.3 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution.

This Explanatory Statement together with the accompanying Notice may also be regarded as an abstract of the terms of the Agreement and Memorandum of Concern or Interest under Section 190 of the Companies Act and a disclosure under Regulation 36 of the SEBI Regulations.

The Board recommends the Resolution No. 3 for approval of the shareholders

Item No. 4

The Board of Directors at their meeting held on June 17, 2020, on the recommendation of the Audit Committee, has approved the re-appointment of M/s. Sevekari Khare & Associates (Firm Registration No. 000084), as Cost Auditors to audit the cost records of the Company for the financial year ending March 31, 2020, on a remuneration of Rs. 4,75,000/- (Rupees Four Lakhs and Seventy Five Thousand Only) plus taxes and out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company at the annual general meeting.

Accordingly, the approval of the Members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members

By Order of the Board

Varsharani Katre
Company Secretary
FCS: 8948

Place: Mumbai
Date: August 07, 2020

FDC Limited

Delivering Excellence.

Driving Growth.

Annual Report | **2019-20**

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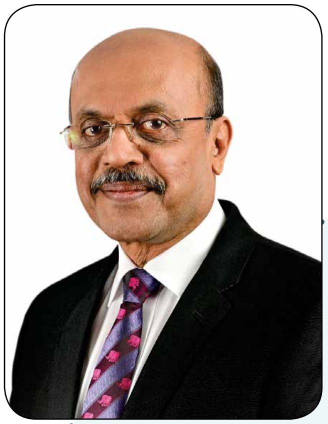
Forward-looking Statement

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events. The Company has sourced the industry information from the publicly available resources and has not verified that information independently.

Message from the Chairman



Dear Stakeholders,

It gives me immense pleasure in presenting your Company's Annual Report for FY 2019-20. FDC Limited has evolved and grown to occupy a prominent place in the Indian pharmaceutical industry; a journey that has been chartered on the strong foundation of excellence. Manifested in the provision of high-quality affordable solutions to people around the world and a strong portfolio of market-leading brands which have stood the test of time, even as newer products have emerged in the market, this focused approach on delivering excellence is deeply rooted in our Company's DNA.

To support our continued growth, several initiatives are being pursued with intense vigour. Getting bolder, more agile and more entrepreneurial, even while staying committed to the path of excellence, we are energised to scale new heights of success. Our focus is clear: to serve and achieve more for all our stakeholders.

Warm Regards,

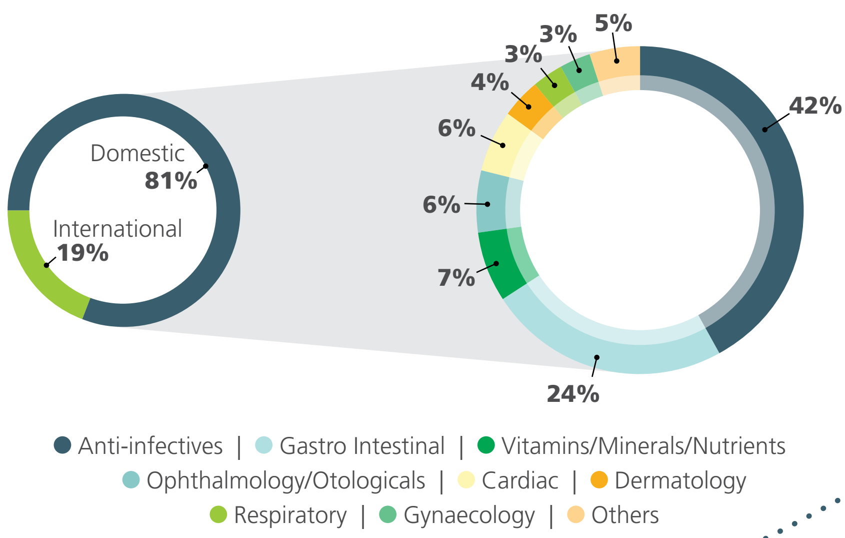
CA Uday Kumar Gurkar
Chairman of the Board

Know Us Better

FDC Limited is among India's leading fully integrated pharmaceutical companies. The Company is a pioneer in the manufacture of specialised formulations, and among the world's foremost manufacturers and marketers of Oral Rehydration Salts (ORS). Over its long history of 85 years, the Company has maintained a distinguished reputation for high-quality, affordable products and built a market-leading brand portfolio. These characteristics continue to form the cornerstone of the Company's ability to create sustainable long-term value for all its stakeholders.

Driving Growth through Diversification

The Company has a diversified business model across products – comprising formulations, functional foods and active pharmaceutical ingredients (APIs) – and geographies. In India, it markets more than 147 brands, with almost 253 SKU's, across several therapeutic segments. The Company is also a trusted provider of generics in the export markets with its products sold in over 50 countries.



Driving Growth through Strong Brands

FDC Limited has several high growth brands in its portfolio, including Electral – a category creator and sustained leader in ORS, and Zifi – a category leader in CEFIXIME. Additionally, it is the third-largest supplier in India by volume in the ophthalmic segment and has a strong portfolio of functional foods and energy drinks.

Quality Commitment

Quality has been the founding principle of FDC Limited, and is reflected in the Company's products, processes, systems, facilities and culture. Uniform quality norms are upheld across all facilities irrespective of the market served by the facility. By embedding the highest-possible quality standards, the Company has maintained an excellent track record of regulatory compliance.

Quality Excellence

In 1985, the Company's API manufacturing plant located at Roha was among the first few in India to be accredited by the US-FDA. Since then, the plant has received the US-FDA approval 6 times in a row.

Manufacturing Edge

The Company has set-up globally approved, multi-location manufacturing facilities for APIs as well as finished dosage forms. It pioneered ophthalmic and ORS manufacturing in the country and continues to be the leading manufacturer in these categories, today. The manufacturing facilities are located at Roha, Waluj and Sinnar in Maharashtra, Verna in Goa and Baddi in Himachal Pradesh.

Manufacturing Excellence

The Company's API and formulation facilities are certified by WHO-GMP; UK MHRA; US-FDA; ANVISA (Brazil); MCC (South Africa); FSSAI, BIS; ISO 22000 : 2005 - Food Safety Management System.

Focused Research & Development

Supported by its dedicated, in-house R&D team, the Company creates high-quality, highly-functional and affordable solutions. The Company has separate R&D teams for each of the following areas: formulations, synthetics, nutraceuticals, and biotechnology.

R&D Excellence

The R&D Centres located at Mumbai in Jogeshwari and Kandivali are duly recognised by the Department of Science and Technology.

Embedding Technology

The Company strives to explore, innovate and integrate solutions with modern technology, empowering talent and expanding healthcare horizons for a better quality of life to millions globally. Several innovative products have been introduced by employing newer technologies at the commercial scale.

Technology Excellence

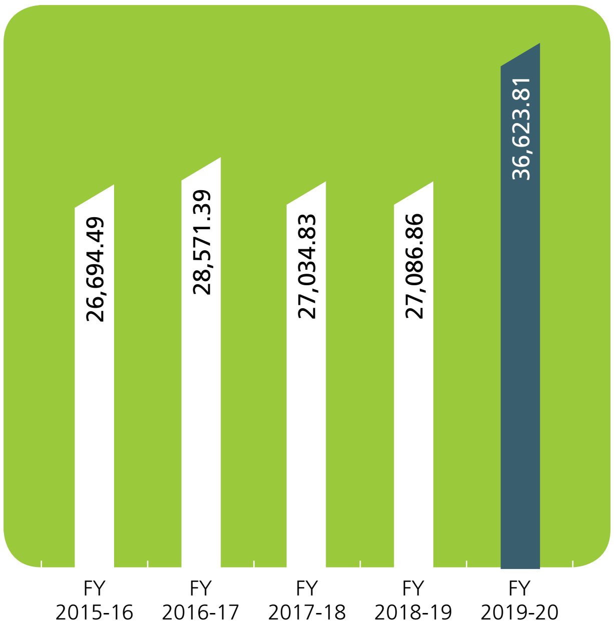
FDC Limited was the first in South East Asia to offer ophthalmic formulations by using the Blow-Fill-Seal (BFS) technology.

Financial Highlights

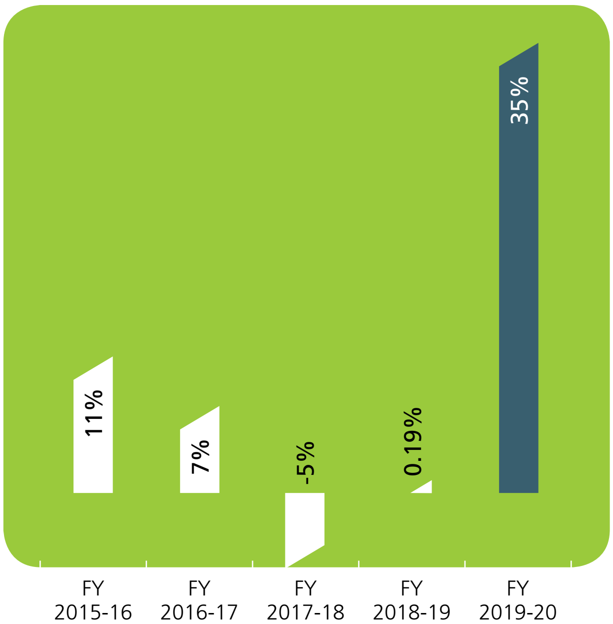
Revenue from Operations
(Rs. in Lakhs)

Net Profit After Tax
(Rs. in Lakhs)

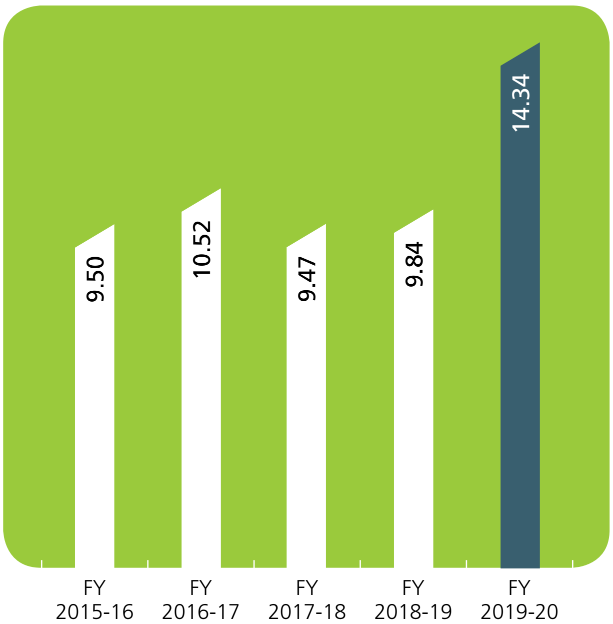
Reported EBITDA
(Rs. in Lakhs)



EBITDA Growth

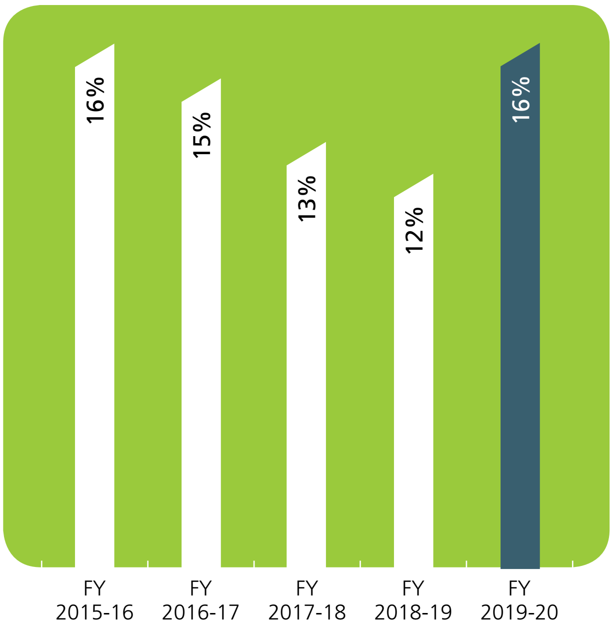


Earnings Per Share
(In Rs.)



Net Worth
(Rs. in Lakhs)

Return on Equity



Core Return on Equity

Message from the Managing Director

I am pleased to share that our Company delivered impressive financial results for the year gone by, significantly outpacing the industry growth. The revenue from operations stood at Rs. 1,331 Crore in FY 2019-20, up from Rs. 1,076 Crore in FY 2018-19.

Dear Shareholders,

Stepping up our commitment to drive growth pivoted on the core of excellence, FY 2019-20 has been about accelerating the transformational journey we had set in motion over the past few years/ had embarked upon in April 2018. The transformation efforts have yielded positive and swift results, details of which are shared later in this letter.

India is one of the fastest growing major pharmaceutical markets in the world. Growing income levels, rising prevalence of chronic diseases, improvements in healthcare, higher life expectancy, and government's focus on enhancing healthcare to economically weaker sections of the community are the major reasons driving the growth of the domestic pharmaceutical market. India also holds an important position in the global pharmaceutical landscape, driving better health outcomes across the world through its affordable and high-quality generic drugs. The outbreak of the COVID-19 pandemic had negligible impact on the Indian pharmaceutical industry, which recorded a stable growth of 8% during FY 2019-20, led by strong growth in the domestic market.

I am pleased to share that our Company delivered impressive financial results for the year gone by, significantly outpacing the industry growth. The revenue from operations stood at Rs. 1,331 Crore in FY 2019-20, up from Rs. 1,076 Crore in FY 2018-19. While sales in the domestic market grew by 19%, in the international market we recorded 50% growth, albeit over a smaller base. In parallel, we also grew our net profits to Rs. 247 Crore, up from Rs. 171 Crore in the previous year, while EBITDA growth stood at 35%, as compared to 0.19% recorded in the previous year. Our outstanding sales growth and high margin improvement are underpinned by our strong brand portfolio and operational excellence, strengths that we continue to fortify to drive sustained growth.

It was a good year for FDC Limited, indeed – not only because of the solid financial results achieved but also because we took some bold steps towards investing for future growth. The biggest highlight was the acquisition of 'ENTEROPLUS' from GlaxoSmithKline Pharmaceuticals Limited (GSK). This is the first time in our illustrious history that we have acquired a brand in India. The acquisition, we believe, has considerable potential to add to our domestic growth in the GI segment (as an adjunct therapy with anti-infectives), especially as synergies start materialising in FY 2020-21. We also intensified our customer engagement efforts, increasing both the frequency and the quality of our interactions with General Physicians and Medical Consultants. This was achieved by driving the efficiency and productivity of our sales and marketing team. The measures towards improving sales force effectiveness included a well-thought-out incentive policy and compensation structure, investments in capability building, and equipping the team with the right sales tools to gain market insights and build better customer relations.

In the international market, we are steadily growing our reach and market penetration for our finished formulations and active pharmaceutical ingredients (APIs). In the US market, in particular, our growth has been very encouraging led by market share gain in existing products as well as contributions from new launches. Investments are being made to scale our US business volume, especially for formulations. Besides the US, we also recorded growth in CIS, Latin America, Middle East, South East Asia regions. Our greatest advantage in these geographies is our presence in niche categories, where competition is relatively lower and market opportunity higher.

Excellence in the pharmaceutical industry requires world-class facilities, high compliance focus, and investments in research; we deliver on all three fronts. With compliance being a moving target, we continue to invest in our controls and processes to ensure adherence to evolving regulatory requirements and uphold our successful track record. During the year, the efforts of our R&D teams enabled us to bring innovative products to the market, especially in the area of Nutraceuticals, while taking several products closer to commercialisation. We also initiated investments for digitising our R&D Centres with the implementation of electronic laboratory notebook software with 21 CFR compliance. Once our R&D Centres become 21 CFR compliant, we will be able to use electronic quality records and digital signatures in place of paper-based documentation, thus helping us to avoid the risk of human-errors and improve time-to-market.

The outbreak of the pandemic has impacted businesses across sectors, globally. Being under the category of essential services, your Company was allowed to operate through the nationwide lockdown subject to having in place a comprehensive range of operating controls to protect our employees and limit the spread of the disease. Initial challenges such as supply-chain disruption, interruptions in raw material availability, and restrictions on imports/exports were overcome by responding with alacrity. Further, there has been no material impact on our capital and financial resources, and we continue to be a well-funded secure business. Strict safety and protection measures are being implemented across all our sites to safeguard the health of our people.

The skills, experience and commitment of our people drives our growth. To attract and retain top talent, we believe in providing a stimulating work environment and support in achieving professional and personal goals. During the year, several initiatives were undertaken to foster leadership, in line with our agenda of being future-ready. This year, we will be migrating to an e-learning platform for our sales team to enable self-paced learning through interactive ways. As we invest in developing the capabilities of our people, not only does our business benefit through improved productivity and lower attrition, but it also reinforces our foundation for sustained growth.

In the coming year, through our continued focus on our key brands and our unwavering commitment to manufacturing excellence, along with a more effective and productive sales force, we are well on the path for driving stronger growth. Last year, also saw us taking the first steps towards expanding our engagement beyond the community of physicians to consumers directly, for our flagship brands Electral and Enerzal. We are investing in building a digital presence to transform these brands from an exclusive physician-centric model into a broader consumer wellness model. In the international markets, we have several products in the pipeline for registration and are also venturing into new geographies. These developments, in addition to being present in niche categories, hold considerable promise for bolstering our export revenue.

In closing, I would like to take this opportunity to thank our talented employees for their dedication and our stakeholders for the trust they have shown in our Company throughout the year. Overall, we are on track to deliver our long-term growth plans and we believe that we are investing wisely to deliver sustainable value in the coming years. As we move ahead on our journey of delivering excellence, we seek your continued support.

Warm regards,

Mohan A. Chandavarkar
Managing Director

Multiple Levers Driving Growth

DOMESTIC BUSINESS

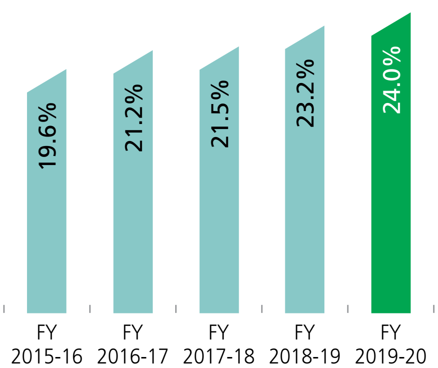
FDC Limited is investing aggressively in its brands, customer engagement and people to scale the next frontier of growth.

Segment Overview

The Company's domestic business is anchored by a portfolio of market-leading brands including Zifi, Electral, Enerzal, Vitcofol, Pyrimon, Zocon, Zoxan, Zathrin, Zipod, Zefu, Cotaryl and Mycoderm. Among these, Zifi has become synonymous with the product category while Electral and Enerzal, along with dominating their respective category, have also turned into household names.

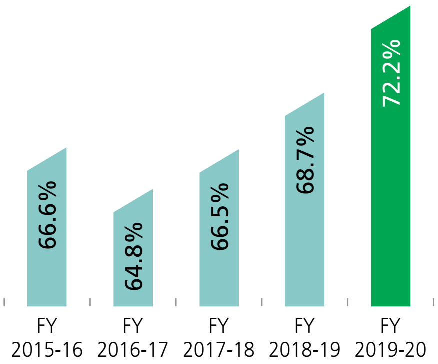
Zifi - Consistent Category Leader

(Market Share)



Electral - Brand Synonymous with Product Category

(Market Share)



The Company's brands are spread across diverse therapeutic segments. In the ophthalmology segment, it enjoys legacy strength by being among the first to manufacture and market products using the advanced BFS technology. Majority of the Company's products are in the affordable category to make quality solutions accessible for all. The Company has engaged 3,500 medical representatives across 8 divisions for marketing 160+ products.

Performance Highlights

Rs. 903 Crore

Domestic Sales in FY 2018-19

↑ by 19%

Rs. 1,072 Crore

Domestic Sales in FY 2019-20

Operational Highlights

Brand acquisition: The Company has initiated the acquisition of brand 'ENTEROPLUS' from GlaxoSmithKline Pharmaceuticals Limited (GSK). This is the first time that inorganic opportunities are being pursued, reflecting a reinforced resolve to invest in growth. This acquisition will bolster the Company's anti-infective portfolio, its traditional area of strength.

Customer engagement: The General Physicians and Consulting Physicians are the Company's prime customers. During the year, the focus on customer engagement was stepped up by aligning the sales team with this objective. By strengthening the relationships with the medical fraternity, the Company has been able to drive higher brand recall and market penetration.

Sales force effectiveness: Several measures including higher compensation, lucrative sales incentive model, investments in capability building, and better team monitoring were implemented to improve the effectiveness of the sales force. With higher pay-outs, the attrition levels have also reduced, thereby contributing to improved productivity of the sales force. Productivity is also being driven by providing the field force with latest and relevant sales tools.

Direct to consumer promotion: Enerzal and Electral have established themselves as wellness brands and are increasingly being bought off-the-shelf by consumers. Recognising that there is ample headroom to grow these brands further as health awareness increases, the Company is investing in enhancing brand visibility and customer outreach. Investments were initiated for both these brands to build an omnichannel presence. To meet evolving preferences, the Company has also launched innovative tetra pack variants of Electral, a ready-to-drink ORS solution. The Company also launched Enerzal in 500ml PET bottles, and a zero-sugar variant called Enerzal Zero in 400ml PET bottles, thus expanding its direct-to-consumer portfolio.

Focus Areas & Outlook

During the year, the domestic market business registered a strong year-on-year growth led by its focused initiatives. The Company is determined to accelerate this growth momentum by leveraging multiple strategic levers. This includes focus on marquee brands, a strengthened sales force team and investments in direct consumer outreach for its functional food and energy drinks.

The Company remains focused to place the highest priority in growing its core brands through enhanced customer engagement and brand investment. Attrition management across the organisation, and particularly of medical representatives has had a positive impact on driving sales in the year under review. To build a culture of meritocracy, the Company will continue to put emphasis on managing and retaining talent by incentivising top performers in the current year. The completion of the 'ENTEROPLUS' acquisition will also bolster revenue potential. Going forward, the Company remains open to similar acquisition opportunities that are synergistic to the business, along with growing its portfolio organically.

Segment Focus Driving Growth

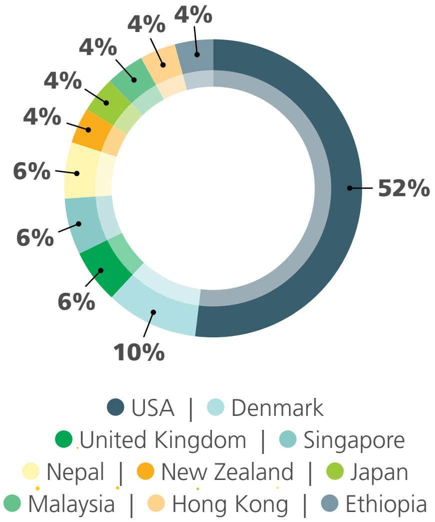
EXPORTS BUSINESS

FDC Limited is poised to take growth to the next level in the international market by concentrating on niche categories and enhancing market reach.

Segment Overview

The Company offers a wide range of APIs and generic formulations in over 50 global markets, including the most stringent regulatory market of the US (which contributes more than half of the Company's export sales). Sophisticated product development and world-class manufacturing capabilities along with expertise in key compliance areas have enabled the Company to become a preferred supplier to global customers including non-profit organisations such as UNICEF, IDA, MSF and PSI.

Top 10 Countries for Export Sale of APIs and Formulations



The Company has particularly built a strong reputation for product excellence in the Ophthalmic and ORS categories, which in turn is driving its extensive reach and penetration across continents. It was the first Indian company to introduce sterile ophthalmic products using BFS technology in the UK. A primary advantage of this technology is that it reduces human intervention, which lowers the risk of microbial contamination and foreign particulates. It was also the first Indian company to set up its own cGMP warehouse for stocking and supplying finished dosage forms to the UK. The Company continues to build on its competitive advantage in these niche segments by ensuring the supply of best quality products.

International operations are supported by a wholly-owned subsidiary and a branch office in the UK and a partly-owned subsidiary in South Africa.

Performance Highlights

Rs. 173 Crore

International Sales
in **FY 2018-19**

by 50%

Rs. 259 Crore

International Sales
in **FY 2019-20**

Operational Highlights

Regulatory compliance: The Company continues to maintain an excellent track record of regulatory compliance. After its first US-FDA inspection in 1985, 30 extensive audits by regulatory authorities including the US-FDA, UK-MHRA, SA-MCC and ANVISA (Brazil) have taken place. The facilities have been approved by these authorities on every occasion.

US performance: The Company's biggest overseas market delivered robust growth in the fiscal year led by strong sales of its ophthalmic solutions. Increase in market share of existing products as well as new product launches contributed to overall sales.

Product commercialisation: New product registrations were received in Asia Pacific, Africa, Middle East, Latin American countries during the year, while several other products are in the pipeline for registration.

Focus Areas & Outlook

The Company is confident of scaling its international business in the coming years on the back of increased market share for its existing products, foray into new markets and the introduction of new products.

The focus will be on ramping up product filings to create a strong pipeline for future growth. The US, world's largest pharmaceutical market, continues to remain a key geography for the Company's formulations exports; investments are accordingly being made to capitalise on this prospect. Opportunities are being also explored to establish a front-end in the US as well as other promising markets. In the coming years, it is looking at entering new markets like Nigeria, Mauritius, Ghana, French West African nations in the African region and Uzbekistan, Kazakhstan, Oman and UAE in the Middle East region.

Driving Inclusive Growth

The Company firmly believes in creating value for the communities around which it lives and works. This vision to drive inclusive growth has inspired it to undertake welfare interventions across a wide range of areas under Corporate Social Responsibility (CSR).

Rural Development

The Company is carrying out rural development programmes in the villages surrounding Sinnar and Nashik, in partnership with welfare organisations MITTRA and BAIF. The FDC Comprehensive Rural Development Project encompasses activities such as women empowerment, water and soil-based interventions, water resource development, and renovation of existing drinking water structures.

Nutrition Programme

To promote education and provide nutritional meals to the less privileged, the Company has associated with an ashram in Palghar district. Financial assistance is being extended to the Trust of the ashram, which is being used to empower the differently-abled and children from underprivileged families.

Medical Care

Through its programme 'SUPPORT', the Company focuses on the rehabilitation of street children who are victims of drug abuse. Medicines, diagnostic facilities, and prompt medical attention are provided under the programme. Supplementary nutrition is also given to improve the health quotient of the children availing treatment. The programme continues to prove beneficial to all the residential children as they are showing normal growth in height and weight.

Educational Programmes

The Company's 'Parijnanashrama Vidyalaya Programme' aims to provide good quality education to underprivileged children, with a special focus on the girl child, in rural India. The objective is to transform the children into responsible and self-reliant citizens. A new school building is under progress at Karla, Maharashtra, which is expected to be completed in FY 2020-21. Under its educational programmes, the Company also focuses on bridging the digital divide by empowering the youth through technology awareness.

Support to Eye Hospital

The Company supported the 'Retinopathy of Prematurity (ROP) Project' implemented at Arvind Eye Hospital – Theni, Tamil Nadu, throughout 2019. The project aimed to reach out to the preterm babies at government hospitals/ Neonatal Intensive Care Units (NICUs) for identification, referral and treatment of ROP. The Company has been supporting this project since 2017.

Breast Cancer Screening Camps

The Company extended support to CIIGMA Health Foundation, Aurangabad, for promoting breast cancer awareness and providing early detection facilities for the prevention of advancement of breast cancer. More than 80% of the women, who attend the camp, agree to undergo screening during the group meetings which are held on the same day of the camp.

Corporate Information

Late Anand L. Chandavarkar
(1905-1959)
Founder

Late Ramdas A. Chandavarkar
(1933-2001)
Chairman Emeritus

Directors

CA Uday Kumar Gurkar
(Chairman of the Board, appointed w.e.f. April 01, 2019)

Mr. Mohan A. Chandavarkar
(Managing Director)

Mr. Nandan M. Chandavarkar
(Joint Managing Director)

Mr. Ashok A. Chandavarkar

Mr. Ameya A. Chandavarkar

Ms. Nomita R. Chandavarkar

CA Swati S. Mayekar

Mr. Malarkode Ganesan Parameswaran#

Ms. Usha Athreya Chandrasekhar#

Dr. Mahesh Bijlani#
(#Appointed as an Additional Non-Executive, Independent Director w.e.f. May 10, 2019)

Chief Financial Officer

Mr. Sanjay Jain

Company Secretary

Ms. Varsharani Katre

Auditors

B S R & Co LLP, Mumbai

Plants

- Roha, Raigad, Maharashtra
- Waluj, Aurangabad, Maharashtra
- Sinnar, Nashik, Maharashtra
- Goa (Plants I, II & III)
- Baddi, Himachal Pradesh

In-house R&D Centres Approved by Department of Scientific & Industrial Research

- Jogeshwari R & D Centre at 142-48,, S.V. Road, Jogeshwari (West), Mumbai - 400 102.
- Kandivali R & D Centre at 54 - EFGH, Kandivali Co-operative Industrial Estate Ltd., Charkop, Kandivali (W), Mumbai - 400 067.

Correspondence Address

- C-3 Skyvistas, Near Versova Police Station, 106A, J.P. Road, Andheri (West), Mumbai - 400 053.

Registrar & Share Transfer Agents*

Link Intime India Pvt. Ltd.
(Sharex Dynamic (India) Pvt. Ltd. merged with Link Intime India Pvt. Ltd.)
C101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083.
Tel: 022- 2851 5606/ 5644/ 6338;
Website: www.sharexindia.com;
Email ID: support@sharexindia.com

CIN

L24239MH1940PLC003176

Registered Office

B - 8, MIDC Industrial Estate,
Waluj - 431 136, Dist. Aurangabad,
Maharashtra.

R&D, Training Centre and Corporate Office

142-48, Swami Vivekananda Road,
Jogeshwari (West), Mumbai - 400 102.

INVESTORS' INFORMATION

1.	Date of Annual General Meeting	Wednesday, September 30, 2020
2.	Venue and time	Through Video conferencing ("VC")/ other audio visual means ("OAVM") at 10.00 a.m.
3.	Book closure	September 24, 2020 to September 30, 2020 (both days inclusive)
4.	Investors' complaints may be addressed to	The Secretarial Department FDC Limited 142-48, Swami Vivekananda Road, Jogeshwari (West), Mumbai - 400 102. Tel.: (022) 2673 9100 / 2673 9215 E-mail ID.: investors@fdcindia.com Website: www.fdcindia.com

* Kindly correspond directly with the Registrar & Share Transfer Agents regarding share transfers and share related matters.

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Directors' Report

To the Members,

Your Directors have pleasure in presenting the 80th Annual Report together with the Audited Accounts for the year ended March 31, 2020.

1. STANDALONE FINANCIAL RESULTS

(Rs. in Lakhs)

Particulars	FY 2019-20	FY 2018-19
Revenue from Operations (Net)	**1,33,109.30**	**1,07,587.40**
Other Income	8,265.75	5,479.98
Total Income	**1,41,375.05**	**1,13,067.38**
Profit (before finance costs and depreciation/ amortisation)	36,623.81	27,483.97
Finance costs	341.49	143.19
Depreciation and amortisation	3,736.33	3,313.77
Profit Before Exceptional items and tax	**32,545.99**	**24,027.01**
Less: Exceptional items	-	397.11
Profit before tax	**32,545.99**	**23,629.90**
Less: Taxation		
- Current Tax	8,280.00	6,660.00
- Deferred Tax	(411.87)	(183.73)
Profit After Tax	**24,677.86**	**17,153.63**
Other Comprehensive Income/(Loss) for the year	(355.63)	(89.13)
Total Comprehensive Income/(Loss) for the year	**24,322.23**	**17,064.50**
Earnings per equity share (Basic & Diluted) (Face value Re.1)	**14.34**	**9.84**

2. BUYBACK OF SHARES

The Board of Directors, at its meeting held on May 24, 2019, had approved a proposal of the Company to buy-back its 3,430,000 fully paid-up equity shares having face value of Re. 1 each from the eligible equity shareholders of the Company who have validly tendered their shares. The buy-back was offered to all eligible equity shareholders of the Company on proportionate basis through the 'Tender offer' route in accordance with SEBI (Buy-back of Securities) Regulations, 2018. The buy-back of equity shares through the stock exchange commenced on June 07, 2019 and was completed on July 23, 2019 and the Company bought back and extinguished a total of 3,430,000 equity shares at a price of Rs. 350/- per equity share, comprising 1.97% of pre-buyback paid up equity share capital of the Company. The buy-back resulted in a cash outflow of Rs. 12,005.00 lakhs excluding transaction cost, viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc., cost for the intermediaries appointed for the buy-back and other incidental costs.

3. DIVIDEND

The Board of Directors at its meeting held on March 13, 2020 declared an interim dividend of Rs. 0.80/- (80%) per equity share on 170,973,084 paid-up equity shares having face value of Re. 1/- each for the FY 2019-20 absorbing sum of Rs. 13,67,78,468/- (Rupees Thirteen Crores Sixty Seven Lakhs Seventy Eight Thousand Four Hundred and Sixty Eight Only). The dividend was paid to the shareholders on March 26, 2020. The said interim dividend has been confirmed by the Board of Directors as final dividend for the financial year ended March 31, 2020.

The company has formulated Dividend Distribution policy which is annexed as **Annexure – A** and it is also uploaded on the website of the Company i.e. www.fdcindia.com.

4. SHARE CAPITAL

During the year under review, the paid-up equity share capital of the Company as on March 31, 2020 is as follows:

Subscribed and Paid-up share capital :	March 31, 2020	March 31, 2019
170,973,084 (Previous year 174,403,084) equity shares of Re. 1 each, fully paid-up	170,973,084	174,403,084
Add: NIL (Previous year - 786,250) forfeited equity shares cancelled*	--	786,250
Total	**170,973,084**	**175,189,334**

(*Forfeited equity shares were duly cancelled by the Company by passing an Ordinary Resolution at its Annual General Meeting Held on September 27, 2019)

5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The management of your Company presents the analysis of performance of the Company for the financial year ended March 31, 2020 and its outlook for the future. This outlook is based on assessment of the current business environment. It may vary due to future economic and other developments, both in India and abroad.

Global Pharmaceutical Industry

The global pharmaceutical industry is among the fastest growing industries globally and one of the biggest contributors to the world economy. As per a research report from the IQVIA Institute for Human Data Science, the global pharmaceutical industry is estimated to be USD 1.25 trillion (at invoice level) in 2019 and is expected to grow at a compounded annual growth rate (CAGR) of 3-6% over 2020-2024 to touch USD 1.6 trillion in 2024. The main factors driving this growth are increased size of the global aging population, continued uptake and launch of novel therapies serving unmet medical needs and improved access to healthcare in emerging economies. Further, while branded, patented medicines constitute the largest pie of global pharmaceutical sales, governments across the world are increasingly supporting the supply of generics – affordable bioequivalent of branded drugs, to improve patient access to healthcare. The US is the largest pharmaceutical market in the world, and also the largest drug importer in the world.

Indian Pharmaceutical Industry

Domestic Market

Growing impressively over the past five years, the Indian Pharmaceutical Market (IPM) has become one of the fastest-growing markets among the major pharmaceutical markets of the world. As per AIOCD-AWACS Report, the Indian Pharmaceutical Market (IPM) grew by 9.8% in 2019-20, with total sales reported at Rs. 143,738 Crore. By 2020, India is likely to be among the top three pharmaceutical markets by incremental growth and 6th largest market globally in absolute size.

The growth of the domestic market is being driven by economic prosperity which is increasing drug affordability. Increasing penetration of health insurance is also expected to push expenditure on healthcare and medicine in India. Further, with deeper penetration of pharmacies, especially in rural India, OTC drugs are readily available.

Exports

The Indian pharmaceutical industry supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in UK. Low cost of production and R&D boost efficiency of Indian pharmaceutical companies, leading to competitive exports. Indian pharmaceutical exports reached USD 20.70 billion in FY 2019-20. India's cost of production is approximately 33% lower than that of the US and almost half of that of Europe.

Industry Developments

Policy Support: Government of India's 'Pharma Vision 2020' aims to make India a global leader in end-to-end drug discovery. In this sector, 100% FDI is allowed under automatic route. Steps have been taken to reduce approval time for new facilities from 12 weeks to 2 weeks. As per the new policy, the Department of Pharmaceuticals will have control over the National List of Essential Medicines (NLEM), which decides the drugs for which the Government of India can control the prices. In November 2019, the Cabinet approved the extension/renewal of the existing Pharmaceuticals Purchase Policy (PPP) with the same terms and conditions, while adding one additional product, namely, Alcoholic Hand Disinfectant (AHD) to the existing list of 103 medicines till the final closure/strategic disinvestment of the Pharma CPSUs.

Increasing Investments: Rise in private sector investments in R&D and acquisitions are driving the sector's growth. Currently, Indian pharmaceutical companies spend 8-13% of their total turnover in R&D. This is likely to increase as due to the introduction of product patents, companies need to develop new drugs to boost sales. The drugs and pharmaceuticals sector attracted cumulative FDI inflow worth USD 16.50 billion between April 2000 and March 2020, according to data released by Department of Industry & Internal Trade.

COVID-19 Impact: Despite the COVID-19 crisis, the IPM registered surprising growth of 8.9% for the month March 2020, with some evidence of panic buying of chronic medicines. Notably, cardiac, anti-diabetics and respiratory therapeutic segments registered double growth compared to the previous month. Further, to insulate the sector from global supply chain disruptions, the Government has announced a plan to set up a nearly Rs. 1 Lakh Crore fund to encourage companies to manufacture pharmaceutical ingredients domestically.

Source: Consolidated FDI Policy, Department of Industrial Policy & Promotion (DIPP), Press Information Bureau (PIB), Media Reports, PwC, McKinsey, Pharmaceuticals Export Promotion Council of India. Pharmaxcil

Industry Growth Drivers

Note for the designer: Just use a simple infographic to present the above information:

DEMAND-SIDE DRIVERS	SUPPLY-SIDE DRIVERS
• Growing number of stress-related diseases due to lifestyle changes • Rising incomes and easier accessibility of drugs • Increasing penetration of health insurance • Better diagnostic facilities	• Cost advantage • Skilled manpower • Manufacturing hub for generics • Increasing penetration of chemists

Opportunities in Healthcare

Growing Demand: Rising income and affordability, growing elderly population, changing disease patterns, and better awareness of wellness, preventive care and diagnosis are some factors boosting the demand for pharmaceutical products. This could also open up the market for production of high-end drugs in India.

Research: Contract research is fast-growing segment in the Indian healthcare industry. The cost of developing new drugs in India is as low as 60% of the testing cost in US. Increasing number of global companies are thus keen to outsource their R&D programmes to India, providing exciting opportunities for Indian companies offering contract research services.

Medical Tourism: The cost of surgery in India is nearly 1/10th that of the cost in developed counties. There are 21 Joint Commission International (JCI) – accredited hospitals in India and this number is fast growing. These factors along with easier norms for medical visa approvals is driving patient inflow from other countries for medical treatment. A growing medical tourism industry, in turn, fuels the demand for pharmaceutical products in India.

Penetration in Rural Market: Around 66% of Indian population reside in rural areas. The demand for generic medicines in rural market has seen sharp growth with greater health awareness. This has encouraged various pharmaceutical companies to invest in a suitable distribution network to tap the opportunities in these markets.

Source: BMI, Drug Controller General of IndiaIBEF healthcare Report March' 2020

Industry Risks and Outlook

The Indian pharmaceutical industry has been a world leader in generics both globally and in domestic markets, contributing significantly to the global demand for generics in terms of volume. Made-in-India drugs supplied to the developed economies such as the US, EU and Japan are known for their safety and quality. While in recent years, the US market had remained subdued for Indian pharmaceutical companies due to competitive intensity in the generic space and consolidation of pharmaceutical distributors, the situation has seen an improvement. Further, Indian pharmaceutical players have steadily migrated up the value chain to focus on value-added formulations with higher margins. India's ability to manufacture high quality, low priced medicines will continue to present a huge business opportunity for the domestic industry.

In the domestic market, medicine spending is projected to grow 9-12% over the next five years, leading India to become one of the top 10 countries in terms of medicine spending. Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for anti-diabetes, anti-depressants and anti-cancers, segments which are on the rise.

The Government aims to increase healthcare spending to 3% of the Gross Domestic Product (GDP) by 2022. This will also drive the growth of the pharmaceutical market in India. Several steps are also being taken by the Government to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus, and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

Finally, the Indian pharmaceutical industry has been relatively resilient to the COVID-19 disruption and is poised to gain from favourable currency tailwinds and stable outlook for India and US business.

Financial Performance and Operations review

During the year under review, your Company registered a standalone total income of Rs. 141,375.05 Lakhs as compared to Rs. 113,067.38 Lakhs in the previous year, thereby registering a growth of 25.04 %.

The Earnings before Interest and Depreciation amounted to Rs. 36,623.81 Lakhs as compared to Rs. 27,086.86 Lakhs in the previous year. The Net Profit After Taxation stood at Rs. 24,677.86 Lakhs as compared to Rs. 17,153.63 Lakhs in the previous year.

During the year under review, your Company registered a consolidated total income of Rs. 141,308.88 Lakhs as compared to Rs. 113,416.59 Lakhs in the previous year, thereby registering a growth of 24.59 %.

Financial performance and Operations review

Particulars	FY 2018-19	FY 2019-20
Debtors Turnover (Days)	29	34
Inventory Turnover (Days)	59	58
Interest Coverage Ratio (times)	189	107
Current Ratio	4.12	3.77
Debt Equity Ratio	0.00	0.01
Operating profit margin	25	28
Net profit margin	16	19

* Due to applicability of IND AS 116 Leases w.e.f 01.04.2019, Interest Coverage Ratio has changed more than 25%.

Segment wise/ product wise performance

Marketing

As usual Top 10 Therapies contributes 88% to Total IPM. Anti-Infective, Cardiac, Anti-Diabetics, & Respiratory growing in double digit measuredly due to price growth followed by Volume growth.

Pain/Analgesics & Neuro/CNS- growing around 10% @ 9.6% & 9.4%, whereas 11% contributor to IPM, GI Range growing by 8.1%. These 3 therapies measuredly growing due to price growth by 6.7%. 6.2% & 6.1% respectively. Vits/Mins/Nutris, Derma & Gynaecological growing 6 – 9% measuredly due to 70% contribution of Price growth, In Derma around 90% contribution of price growth.

Source: AIOCD-AWACS Secondary Sales Audit Mar' 20

Further, the Company has launched alternative brands as follows:

Pyrimon → Pyrimon DF, Mosi-D → Mosi-DF

The Company has also launched selective molecules Cadexomer Iodine Ointment, Luliconazole Cream, Bimatoprost Eye Drops, Clotrimazole+Lignocaine Ear Drops

During the year, the Company's Gastro-Intestinal, Anti Infective, and Vits/Mins/Nutrient segments performed well with volume growth of 12%, 7.9% and 8% respectively. In 2019-20 Incremental value measuredly from Anti Infective & Gastro-Intestinal.

Source: AIOCD-AWACS Secondary Sales Audit Mar' 20

Research and Development

The Research & Development (R&D) centres located at Kandivali (Mumbai) are duly recognised by the Indian Government's Department of Science and Technology (DST). The Company carries out its various R&D activities in the following areas:

- **Formulations**

  The R&D Formulation team at FDC Limited strives to develop and make drugs available at affordable prices. The team is engaged in developing world-class quality pharmaceutical products for the domestic and global markets. The scientists work in a stimulating environment of continuous learning and innovation. The chronic disease segment is ever increasing and efforts to develop products for their treatment are undertaken on utmost priority. The team is also adept in absorbing newer technologies and transferring complex dosage forms from the laboratory to the commercial level. Consistent efforts have led to the commercialisation of several products across the globe.

- **Synthetics**

  The R&D centre located at Kandivali (Mumbai) is engaged in process development of niche products, particularly in area of Ophthalmic, Antihypertensive, Antifungal, Anti-diabetic, Antihistaminic, Bronchodilator, Antibacterial, and New Chemical entity (NCE). The work on life cycle management of existing drug substances and synthesis of generic peptide molecules for treatment of Leucoderma (skin pigmentation), Obesity and Anti-diabetic are also being carried out with the aim of cost effectiveness, backward integration and meeting regulatory requirement from global drug authorities to attain international accreditations. The other highlights of the process developments of generic drug molecules are non-infringing processes; usage of environment-friendly chemicals; application of green chemistry principles for protection of environment and to reduce aqueous effluents; development of desired polymorphs; usage of classical chemistry for development of chiral drugs; advanced state-of-the-art new flash and preparative chromatography technique for enhancing purity and yield on commercial scale; implementation of electronic laboratory note book software with 21 CFR compliance for recording daily experiments; scale up and technology transfer activities ensuring overall chemical safety and protection of inventions through intellectual property rights i.e. patents. The Company is moving towards establishing state-of-the-art 21 CFR compliant R&D centre.

- **Nutraceuticals**

  During the year, the Company launched MumMum 2 (Follow-up complementary food). The Nutraceuticals R&D team also worked on increasing the product categories of Infant Milk Substitute (IMS) and on advanced formulations of the MumMum range (both

MumMum 1 and MumMum 2) with some added micro nutrients and beneficial ingredients. Trials and validation of IMS at Sinnar plant have been successfully completed, which completes the commissioning activity at Sinnar plant. With this, the Company is ready to supply current market requirement of IMS with spare capacity, which shall be utilised for launching new range of products under IMS and complementary foods for infants.

- Biotechnology

  a. *G-CSF PROJECT:*

  The Company has been successful in obtaining Test license (under Form 29) for manufacturing of clinical trial batches of Filgrastim. This license was received after the efficacious Joint inspection conducted by CDSCO (West Zone) and local FDA at Company's R&D Bioprocess Jogeshwari facility.

  Phase III validation activity of new water system installed in the R&D Bioprocess area was completed successfully. Routine area qualification activity of R&D Bioprocess area has also been undertaken effectively. Validation activity for bioanalytical methods such as SDS PAGE and bioassay is underway to enable the Company to test in-process samples of the clinical trial batches.

  The Company has shortlisted few facilities to perform the filling of formulated recombinant protein and to carry out characterisation of the filled product.

  b. *THIRD GENERATION THROMBOLYTE PROJECT*

  The trials for the upstream processing have been successfully executed at lab scale at the Company's R&D bioprocess facility. The Company completed fermentation trials (10L capacity) and downstream processing trial (lab scale) till refolding stage for Reteplase molecule.

  The Company is currently developing the purification strategy for the Reteplase molecule. Furthermore, standardisation and validation studies will be conducted on the developed process before finalisation.

  c. *MICROBIAL TESTING LAB*

  R&D MTL lab has performed screening of the promising NCEs synthesised in large quantities to ensure that the efficacy observed in primary screening is consistent and reproducible.

  Acute oral toxicity studies were conducted of three shortlisted NCEs (HY-27, TNF-18, HY-13) in Sprague Dawley rats at M/s Vivo Biotech. The report shows that all the three moieties are non-toxic and classified as Category 5 or unclassified as per GHS. These molecules in large quantities have been handed over to R&D Formulation department for further development into oral as well as topical multi-dosage form. Based on the feedback from R&D formulation & medical department, CROs have to be explored to test efficacy of developed formulation.

  The comparative study to evaluate the action of new generation antifungal molecules such as Itraconazole and Luliconazole are underway. Based on the results, comparative trials will be undertaken with the shortlisted NCEs to test their efficacy.

(i) Exports

The Company exported goods worth Rs. 180 Crore (does not include profit share) in the FY 2019-20, out of which the value of finished formulations was Rs. 130 Crore (43% growth over the previous financial year) and value of active pharmaceutical ingredients (API) was Rs. 50 Crore.

After India, the US pharmaceutical market is the second largest market for the Company. Sales to the US market stood at Rs. 57.41 Crores, a growth of 94% with Ciprofloxacin ophthalmic solution sales being the major contributor. The strong growth during the financial year was mainly due to market share gain in the existing products as well as contributions from the new product launch. Favorable exchange rate movement also helped the reported year-on-year growth. The US business continues to remain a focused business for formulations exports and the Company has been investing accordingly.

The Company is confident of sustained growth in the US, its key market, despite the prevailing challenges. In the US, few of the major obstacles are: price deflation due to customer consolidation, tougher competition, and continually changing and tightening regulatory controls. Besides the US, sales to CIS, Latin America, Middle East, South East Asia regions also fared well and registered growth.

The Company continues to supply its Anti-Diarrheal and ophthalmic products to reputed global NGOs such as UNICEF-Denmark, MSF-France/Belgium, WHO (through partners), local NGOs/Government bodies in Africa, South East Asia and Oceania, thereby maintaining its reputation of being among the preferred suppliers for emergency supplies worldwide.

New product registrations were received in Asia Pacific, Africa, Middle East, and Latin American countries during the year; furthermore, several other products are in the pipeline for registration. The Company is also venturing into new markets: Nigeria, Mauritius, Ghana, French West African nations in the African region and Uzbekistan, Kazakhstan, Oman, and UAE in the Middle East region.

The Company continues to export its pharmaceutical formulations in over 50 countries including the UK, Australia, New Zealand, Ukraine, Peru, Chile, Oman and Sri Lanka. It is confident of increasing its market share through foray into new markets, introduction of new products and increasing penetration of existing products.

The sales of FDC International UK, the 100% subsidiary of FDC Limited, were GBP 10,36,327/-. Sales were affected due to the unavailability of a key API for its widely sold eye-drops..

Active Pharma Ingredient International Business

On the API front, the Company has filed new DMFs for APIs Bromhexine HCl in Singapore and Indonesia; Rupatadine Fumarate in Korea; Miconazole Nitrate in Russia; and Brimonidine Tartrate in Malaysia.

The Company has also provided successful response to an European agency requirements for control of Nitrosamine impurities for applicable API Fluconazole and Flurbiprofen, through Risk Assessment Reports. The Risk Assessment was also carried out for all APIs, complying with one important regulatory requirement.

The Company continues to work on filing additional DMFs in the US market and CEPs in Europe (EDQM) to enable existing products to pursue growth objectives in the regulated and other ROW markets. Focused efforts were also made to develop new customers in Brazil and Korea.

A. *Internal Financial Controls and their adequacy*

The Company has in place robust internal financial controls commensurate with the size, scale and complexity of its operations. These controls ensure that the transactions are recorded and reported diligently, adhere to the Company's policies and systems, safeguard the assets, prevent and detect the frauds and errors, and ensure accuracy and completeness of the accounting records and timely preparation of reliable financial information.

The Company has an internal audit department which carries out audits throughout the year and appropriate actions are taken by the management based on their recommendations.

B. *Human Resources*

The Company believes that the employees are the most valuable assets and key drivers of business success and sustained growth. The Human Resource (HR) policies and practices are well aligned to meet business objectives.

As the Company operates in a highly competitive environment, the HR function attracts and retains the best talent for its operations across all locations. The Company encourages and provides the platform for individuals to excel in their professional and personal goals, along with the focus on a healthy work life balance. Several initiatives are carried out through the year to serve employees, including fitness programmes.

Being future-ready is one of the key processes for sustainable growth; the Company is therefore building synergy and cultural integration through coherent leadership programs for top leaders as a part of its core initiative. The Company has an in-house Training and Development team to help the sales team on products, scientific knowledge, and selling techniques. The Company also conducts various programs on managerial effectiveness to improve individual competencies and leadership abilities for sales leadership. Understanding the importance of newer training techniques, the Company would be migrating from classroom training to an e-learning platform for its sales team in the next financial year. The web-based training will provide self-paced learning using interactive methods.

In line with the requirement of SEBI listing regulations, the Company has adopted a 'Code of Conduct, Work Ethics Policy and a Whistle

Blower Policy". These policies are uploaded on the Company's website (www.fdcindia.com)

C. Cautionary Statement

Certain statements in respect to Management Discussion and Analysis Report may be forward-looking and are stated as required by the applicable laws and regulations. The future results of the Company may be affected by many factors, which could be different from what the Directors envisage in terms of future performance and outlook.

6. MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF THE FINANCIAL YEAR

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which Financial Statements in this Report relate and the date of this Report.

7. COVID-19 PANDEMIC IMPACT

The Company acted promptly to mitigate the impact of COVID-19 pandemic and the ensuing nationwide lockdown. However, the unforeseen circumstances did cause a short term disruption in the operations of the Company. Notwithstanding this interruption, the overall financial impact is not material for the Company.

Being in the pharmaceutical business which falls under the category of essential services, the Company was allowed to operate during the lockdown, subject to compliance to the orders and guidelines issued by the Government and various authorities from time to time. At initial stages itself, the Company responded to the rapid challenges arisen from disruption in operations and supply chain, restrictions on imports/ exports, and difficulties in procurement of raw materials and packing materials.

Further, there has been no material impact on the Company's capital and financial resources, profitability, liquidity position, assets, internal financial reporting and control, supply chain, demand for its products/services, or fulfilling of any obligation.

As protective steps for all its employees, the Company has implemented various Standard Operating Procedures (SOPs) in line with Government's guidelines/directives, for the smooth functioning of business activity. Further, with respect to its plants, corporate office, depots and R&D Centers, the Company has taken proactive measures to avoid spread of COVID-19. The Company has provided work from home facility to its employees wherever possible.

The Company has also implemented various safety measures along with social distancing and provision of transport and food facility for its employees, in line with the Government guidelines. A mediclaim insurance policy is in place for all employees, to take care of any health issues. The senior management team is constantly in touch with all the employees and gives regular instructions through advisory emails to support them through this pandemic.

8. AUDITOR'S REPORT

The report given by B S R and Co. LLP, the Statutory Auditors of the Company, on the Financial Statement of the Company for the year ended March 31, 2020 is a part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in the said Audit Report.

9. CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statement of the Company forms part of this Annual Report. This statement has been prepared on the basis of Audited Financial Statement received from the subsidiary companies as approved by their respective Board of Directors.

10. SUBSIDIARIES / JOINT VENTURE AND ITS OPERATIONS

The Company has 2 (two) wholly-owned subsidiaries, namely, FDC Inc., USA and FDC International Ltd, UK and 1 (one) joint venture business, namely, Fair Deal Corporation Pharmaceutical SA (Pty) Ltd. at South Africa. The financials of the subsidiaries and joint venture company are disclosed in the Consolidated Financial Statements, which form a part of this Annual Report.

A statement containing salient features of the financial statements of subsidiary companies/ joint ventures is annexed to this Report as **"Annexure B"** pursuant to the provisions of Section 129 of the Companies Act, 2013 and the Rules made thereunder in the prescribed Form No. AOC-1 and hence, the same is not repeated for the sake of brevity.

In accordance with the provisions of Section 136 (1) of the Companies Act, 2013, the following information has been uploaded on the website of the Company (www.fdcindia.com)

(a) Annual Report of the Company, containing therein its Standalone and the Consolidated Financial Statement; and

(b) Audited Financial Statement pertaining to the subsidiary companies and joint venture company.

Your company is in process of acquiring additional stake in the Company's Joint Venture, Fair Deal Corporation Pharmaceutical SA (Pty) Ltd. at South Africa. Upon completion of the said acquisition Fair Deal Corporation Pharmaceutical SA (Pty) Ltd. would become a subsidiary of the Company.

11. BUSINESS RESPONSIBILITY REPORT

As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report is annexed as **"Annexure C"**.

12. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) of the Companies Act, 2013, your Directors state that:

(a) In the preparation of Annual Accounts for the year ended March 31, 2020, the applicable Accounting Standards have been followed along with proper explanations relating to material departures, if any;

(b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2020 and of the profit of the Company for the year ended on that date;

(c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) They have prepared the annual accounts on a going concern basis;

(e) They have laid down proper internal financial controls to be followed by the Company and they were adequate and operating effectively; and

(f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

13. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of loans, guarantees and investments made by the Company are given in the Notes to the Financial Statement.

The Company has not given any loans or guarantees or investments in contravention of the provisions of Section 186 of the Companies Act, 2013.

14. PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposits from the public and as such no amount of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

15. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information relating to energy conservation, technology absorption, foreign exchange earnings and outgo, pursuant to Section 134 of the Companies Act, 2013 and the Rules made thereunder, is annexed as **"Annexure D"** to this Report.

16. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Resignation of Directors:

Pursuant to the SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulation, 2018, Dr. Rahim Muljiani, Dr. Satish Ugrankar and Late CA. Vinod Yennemadi, Independent Directors of the Company, ceased to be Directors of the Company with effect from April 01, 2019. The Board placed on record its deep appreciation for contributions on key issues. Further, the Board has confirmed that in relation to the resignation, there were no other reasons attributable or connected with the Company.

Appointment of Chairman of the Board:

Mr. Mohan A. Chandavarkar stepped down from the position of Chairman of the Board and CA. Uday Kumar Gurkar was appointed as Chairman of the Board w.e.f. April 01, 2019.

Appointment of Directors:

Upon recommendation of Nomination and Remuneration Committee, Mr. Melarkode Ganesan Parameswaran (DIN: 00792123), Ms. Usha Athreya Chandrasekhar (DIN: 06517876), and Dr. Mahesh Bijlani (DIN: 0008447258) were appointed by the Board of Directors as Additional Non-Executive Independent Directors of the Company for a consecutive period of 5 (five) years w.e.f. May 10, 2019. Shareholders at the Annual General Meeting held on September 27, 2019 approved their appointment as Non-Executive Independent Directors of the Company.

Retirement by Rotation:

In accordance with provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Ashok A. Chandavarkar, Whole time Director, retires by rotation at the 80th Annual General Meeting and being eligible, has offered himself for re-appointment. The Profile of Director seeking reappointment pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is included in the Notice of the 80th Annual General Meeting and the statement annexed thereto.

Key Managerial Personnel:

In terms of Section 203 of the Act, the following are the Key Managerial Personnel (KMP) of the Company as on March 31, 2020:

1. Mr. Mohan A. Chandavarkar, Managing Director
2. Mr. Sanjay B. Jain, Chief Financial Officer
3. Ms. Varsharani Katre, Company Secretary

During the year, no KMP has been appointed or has retired or resigned.

17. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Information pursuant to Rule 5(1), (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as **"Annexure E"**.

18. CORPORATE GOVERNANCE

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance along with a Compliance Certificate issued by the Statutory Auditors of the Company, forms part of the Annual Report.

19. RISK MANAGEMENT

The Risk Management Committee identifies and evaluates the business risks, in addition to overseeing the Risk Management Policy of the Company, from time to time. The details of the Risk Management Committee are included in the Corporate Governance Report.

20. NOMINATION AND REMUNERATION POLICY

Your Company has in place, a Nomination and Remuneration Policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Team. The details of this Policy are provided in the Corporate Governance Report.

21. MEETINGS OF THE BOARD AND COMMITTEES THEREOF

The information has been furnished in the Corporate Governance Report.

22. AUDIT COMMITTEE

The Audit Committee reviews all the information that is required to be mandatorily reviewed by it under the Corporate Governance and other matters as per terms of reference to Audit Committee, inter-alia, covers all the matters specified under Section 177 of the Companies Act, 2013 and also all the matters listed under Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee of the Board as on March 31, 2020 comprises 2 (two) Non- Executive Independent Directors and 1 (one) Executive Director. CA. Swati S. Mayekar is the Chairperson of the Committee. CA. Uday Kumar Gurkar and Mr. Mohan A. Chandavarkar are the other members of the Committee. The Company Secretary acts as the Secretary to the Committee. The CFO is the permanent invitee to the Committee meeting. The Internal Auditor and the concerned partners/authorised representatives of Statutory Auditors are regular invitees of the Committee meetings.

The Powers and Role of the Audit Committee are provided in the Corporate Governance Report. All recommendations made by the Audit Committee were accepted by the Board of Directors.

23. BOARD & DIRECTORS EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance, evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees, based on the evaluation parameters formulated by the Nomination and Remuneration Committee. The manner in which the evaluation was carried out has been explained in the Corporate Governance Report.

24. FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

The Independent Directors are familiarised with their roles, rights, responsibilities of the Company, the business model of the Company, etc., through various programmes on a continuous basis. Details of the familiarisation program of Independent Directors are disclosed on the website of the Company. i.e., http://www.fdcindia.com/admin/images/Familiarisation_Programme_2019_-_20.pdf

25. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has in place a Whistle Blower Policy for reporting genuine concerns or grievances on fraud and mismanagement. The said Policy is explained in detail in the Corporate Governance Report.

The Company has not denied any person from accessing the Audit Committee. There were no allegations/ disclosures/

concerns received during the year under review, in terms of the vigil mechanism established by the Company. The said Policy is also uploaded on the website of the Company i.e., http://www.fdcindia.com/admin/images/Whistler_Blower_Policy.pdf

26. CODE OF CONDUCT

The Company has in place a Code of Conduct for Board Members and Senior Management Personnel of the Company. The Code of Conduct lays down the standard of conduct which is expected to be followed by the Directors and the Senior Management Personnel and the duties of Independent Directors towards the Company.

The Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them, during the year ended March 31, 2020. A Certificate duly signed by Mr. Mohan A. Chandavarkar, Managing Director and Mr. Ashok A. Chandavarkar, Executive Director, on the compliance with the Code of Conduct is given in the Corporate Governance Report. The said Code is available on the website of the Company i.e., http://www.fdcindia.com/admin/images/Code_of_ Conduct_of_FDC_Limited.pdf

27. PREVENTION OF INSIDER TRADING

The Company has in place a Policy on the Code of Conduct for Prevention of Insider Trading with a view to regulate the trading in securities by the Promoters, Directors and the Designated Employees of the Company.

The same has also been uploaded on the website of the Company i.e., http://www.fdcindia.com/admin/images/CODE_OF_CONDUCT_FOR_PREVENTION_OF_INS I D ER_TRADING.pdf

The Promoters, Directors and the Designated Employees have affirmed compliance with the Company's Code of Conduct for Prevention of Insider Trading.

28. RELATED PARTY TRANSACTIONS

During the year under review, all Related Party Transactions entered into by the Company were on an arm's length basis and in the ordinary course of business. The Company has not entered into any contract, arrangement or transaction with any Related Party which would be considered as the material under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board has also approved a policy on Related Party Transactions and the same has been uploaded on the website of the Company i.e., http://www.fdcindia.com/admin/images/Policy_on_Related_Party_Transactions.pdf

A statement giving details of all Related Party Transactions is placed before the Audit Committee and the Board of Directors on a quarterly basis. Omnibus prior approval was also obtained from the Audit Committee and the Board on an annual basis for repetitive transactions.

Related Party Transactions as required under Accounting Standard are reported in the Notes to Financial Statement. The particulars as required under Section 134(3)(h) of the Companies Act, 2013 are furnished as **"Annexure - F"** to this Report.

29. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN OF WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Policy on the Prevention, Prohibition and Redressal of Sexual harassment at workplace in line with the requirements of The Sexual Harassment of Women of Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The said Policy is available on the website of the Company i.e., ht tp://www.fdcindia.com/admin/images/Policy_on_Related_Party_Transactions.pdf

An internal Sexual Harassment Committee has also been set up to redress the complaints received regarding sexual harassment. The Company has not received any complaints during the year under review.

30. AUDITORS AND AUDIT REPORTS

a. STATUTORY AUDITORS

Auditor's Report for the year under review does not contain any qualifications, reservations or adverse remarks.

b. COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audits) Rules, 2014, the Board of Directors on the recommendation of the Audit Committee have re-appointed M/s. Sevekari Khare & Associates (Firm Registration No. 000084) Cost Accountants, Mumbai, as Cost Auditors of the Company, to carry out the audit of cost records of the Company. The said Auditors have confirmed their eligibility for appointment as Cost Auditors.

As required under the Companies Act, 2013 and Rules made thereunder, the requisite resolution for ratification of remuneration of Cost Auditors by the Members has been set out in the Item No. 4 of Notice of the 80th Annual General Meeting of the Company.

The Cost Audit Report for the year ended March 31, 2019 was filed with the Ministry of Corporate Affairs on August 30, 2019 within the prescribed time.

c. **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, the Company had appointed M/s. Sanjay Dholakia and Associates (PCS No.1798), (Company Secretaries in Practice) to undertake the Secretarial Audit of the Company for the year ended March 31, 2020. The Secretarial Audit Report is annexed as **"Annexure G"** to this Report. There is no qualification, reservation, adverse remark or disclaimer in the said Report.

31. COMPLIANCE WITH SECRETARIAL STANDARD ON BOARD AND GENERAL MEETINGS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) on Board and General Meetings.

32. DETAILS OF FRAUD REPORTED BY THE AUDITORS

During the year under review, the Statutory Auditors, Secretarial Auditors and Cost Auditors have not reported any instances of fraud committed in the Company by its officers or employees to the Audit Committee under section 143(12) and Rule 13 of the Companies (Audit and Auditors) Rules, 2014 of the Companies Act, 2013.

33. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has always been a socially responsible corporate citizen who is aware and sensitive to the needs of the underprivileged people around it. During the year under review, the Company undertook various socio-economic activities such as organising nutritional programmes, creating environmental awareness, improving water resources/ structure in the villages surrounding plant sites, constructing toilets at schools/backward regions, etc. directly as well as through Trusts, and Non-Governmental Organisations.

The Company has also made generous contribution to the Prime Minister's Citizen Assistance & Relief in Emergency Situation Fund (PM CARES Fund) to fight COVID-19 pandemic.

The Company is doing its best to undertake various needs-based activities in compliance with Schedule VII to the Companies Act, 2013.

The CSR Policy is available on the website of the Company i.e., http://www.fdcindia.com/admin/images/Corporate_Social_Responsibility_Policy.pdf

In accordance with the provisions of Section 135 of the Companies Act, 2013, an abstract on the Company's CSR activities is appended as **"Annexure H"** to this report.

34. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92 of the Companies Act, 2013 and the amendment made thereunder, the Form MGT 9 providing an extract of the Annual Return is annexed as an **"Annexure – I"** and also available on the website of the Company i.e., http://www.fdcindia.com

35. TRANSFER OF UNPAID AND UNCLAIMED DIVIDEND AMOUNTS AND SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The Company has been sending reminders to those members having unpaid/unclaimed dividends before transfer of such dividend(s) to IEPF. Details of the unpaid/ unclaimed dividend are also uploaded on the Company's website (www.fdcindia.com)

Members, who have not encashed their dividend pertaining to Final Dividend 2012-2013 and onwards, are advised to write to the Company immediately for claiming dividends declared by the Company.

a. In view thereof, after complying with the prescribed procedure, 10,279 shares on which dividend remained unclaimed for 7 (Seven) consecutive years, were transferred to IEPF account in the financial year 2019-2020. Your Company has uploaded the details of such shareholders whose shares are transferred to IEPF account on the website of the Company (www.fdcindia.com). The procedure to claim the shares transferred to IEPF account has also been uploaded on the website.

36. ENVIRONMENT, HEALTH AND SAFETY

Environment, Health and Safety are a part of the Management responsibilities and concerns. The Company has been providing various kinds of medical assistance to the employees and their families. Periodic health checkups are carried out for all the employees. Employees are also educated on safety and precautionary measures to be undertaken on their job.

37. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant or material orders passed by any regulatory, tribunal or court that would impact the going concern status of the Company and its future operations.

38. ACKNOWLEDGEMENTS

Your Directors would like to express and place on record their sincere appreciation for the continued co-operation and support received from the Medical Fraternity, Government Authorities and Agencies, Stock Exchanges, Financial Institutions, Investors, Bankers, Consumers, Vendors and Members, during the year under review. Your Directors also place on record their appreciation for the hard work and contribution of all the employees of the Company.

For and on behalf of the Board

	SD/-	SD/-
Place: Mumbai	**Mr. Mohan A. Chandavarkar**	**Mr. Ashok A. Chandavarkar**
Date: June 17, 2020	Managing Director	Executive Director

Annexure A to Directors' Report

DIVIDEND DISTRIBUTION POLICY OF FDC LIMITED

INTRODUCTION:

FDC Limited ("the Company") has always been committed in rewarding its shareholders by distributing its Profits via Dividend.

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Dividend Distribution Policy to regulate the process of dividend declaration and its payout by the Company.

The key objective of this policy is to ensure a regular dividend income to the shareholders and a long term capital appreciation for all stakeholders of the Company. Further, the Company shall also ensure to maintain adequate amount of Profits for its various expansion or diversification or acquisition Projects.

The dividend distribution shall be in accordance with the applicable provisions of the Companies Act, 2013, Rules framed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other legislations governing dividends and the Articles of Association of the Company, as in force and as amended from time to time.

The Company shall always endeavor to maintain fairness, consistency and sustainability, while distributing profits to the shareholders.

CATEGORY OF DIVIDENDS:

Under the Companies Act, 2013 and the Rules made thereunder, Dividend has been classified as Interim and Final Dividend. The Board of Directors ("Board") have been entrusted with the powers to recommend a final dividend to the shareholders and the same shall be approved by the shareholders at the general meeting of the Company. Further, the Board also has the absolute power to declare an interim dividend, as and when appropriate, during the financial year, as and when they consider it fit.

DECLARATION OF DIVIDEND:

Subject to the provisions of the Companies Act, 2013 and the Rules made thereunder, the Dividend shall be declared or paid out of the following:

(i) Current financial year's profit

a) after providing for depreciation in accordance with law; and

b) after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion.

ii) The profits for any previous financial year(s):

a) after providing for depreciation in accordance with law; and

b) remaining undistributed.

iii) out of i) & ii) both.

In computing the above, the Board may at its discretion, subject to the provisions of the applicable laws, exclude any or all of following:-

a) extraordinary charges

b) exceptional charges

c) one off charges on account of changes in law or rules or accounting policies or accounting standards

d) provisions or write offs on account of impairment in investments (long term or short term)

e) non cash charges pertaining to amortisation or resulting from change in accounting policies or accounting standards.

The Board may, at its discretion, declare a Special Dividend under certain circumstances, on account of extraordinary profits from sale of investments.

Factors to be considered while declaring Dividend:

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and the amount of profit to be retained in the business, to be used for future expansion/ diversification plans.

The Dividend payout decision of the Company depends upon certain external and internal factors such as:

External Factors:-

a) State of the Economy- in case of uncertain or recessionary economic and business conditions, the Board will endeavour to retain larger part of the profits to build up reserves to absorb future shocks.

b) Capital Markets- when the markets are favorable, dividend pay-out can be liberal. However, in case of unfavorable market conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows.

c) Statutory Restrictions- The Board will keep in mind the restrictions imposed by the Companies Act, 2013 with regard to the declaration of dividend.

Internal Factors:-

Apart from the various external factors aforementioned, the Board will take into account various internal factors while declaring Dividend, which inter alia will include:

a) Profits earned during the year;

b) Present & future Capital requirements of the existing businesses;

c) Brand/ Business Acquisitions;

d) Expansion/ Modernization of existing businesses;

e) Additional investments in subsidiaries/associates of the Company;

f) Fresh investments into external businesses; and

g) Any other factor as deemed fit by the Board.

After taking into consideration the above factors, the Board shall endeavour to take a uniform decision with an objective to enhance shareholders wealth and retaining substantial amount of Profit for the future plans of the Company.

Commitment towards distribution of Dividend to Shareholders:

The Company stands committed to deliver sustainable value to all its stakeholders. The Company shall strive to distribute an optimal and appropriate level of the profits earned, through its core business activities, to the shareholders, in the form of dividend.

In case the Board proposes not to distribute the profit; the grounds thereof and information on utilisation of the undistributed profit, if any, shall be disclosed to the shareholders in the Annual Report of the Company.

For and on behalf of the Board

	SD/-	SD/-
Place: Mumbai	**Mr. Mohan A. Chandavarkar**	**Mr. Ashok A. Chandavarkar**
Date: June 17, 2020	Managing Director	Executive Director

Annexure B to Directors' Report

FORM AOC-1

(Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of Subsidiary Companies / Joint Ventures as per Companies Act, 2013

Pursuant to the general exemption granted under Section 129 of the Companies Act, 2013 by the Ministry of Corporate Affairs, Government of India, the Company is publishing the standalone and consolidated financial statements of FDC Limited and its subsidiaries. The financial statements and auditors' reports of the individual Subsidiaries are available for inspection by the Shareholders at the registered office of the Company.

Part "A" - Subsidiaries

(Rupees in Lakhs)

Sr. No	Particulars	FDC International Limited	
		March 31, 2020	March 31, 2019
	Reporting Period for the Subsidiary		
	% of Shareholding	100%	100%
	Reporting Currency	UK Pounds	UK Pounds
	Exchange Rate as on March 31, 2020	91.39	88.63
1.	Share capital	3.42	3.32
2.	Reserves and surplus	571.38	1311.67
3.	Total Assets	1002.62	1656.90
4.	Total Liabilities	1002.62	1656.90
5.	Investments (other than in subsidiaries)	-	-
6.	Turnover	1987.98	2818.72
7.	Profit/ (Loss) before taxation	730.37	1053.62
8.	Provision for taxation	140.67	201.51
9.	Profit/ (Loss) after taxation	589.71	852.11
10.	Proposed / Interim Dividend	1370.85	1063.56

Part "B"

(Rupees in Lakhs)

Sr. No	Particulars	FDC INC	
		March 31, 2020	March 31, 2019
	Reporting Period for the Subsidiary		
	% of Shareholding	100%	100%
	Reporting Currency	US Dollars	US Dollars
	Exchange Rate as on March 31, 2019	74.06	67.89
1.	Share capital	37.03	33.95
2.	Reserves and surplus	20.90	20.34
3.	Total Assets	59.07	55.3
4.	Total Liabilities	59.07	55.3
5.	Investments (other than in subsidiaries)	-	-
6.	Turnover	-	-
7.	Profit/ (Loss) before taxation	-0.92	-0.84
8.	Provision for taxation	0.37	0.34
9.	Profit/ (Loss) after taxation	-1.29	-1.18
10.	Proposed / Interim Dividend	-	-

(Rupees in Lakhs)

Sr. No	Particulars	Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.	
		March 31, 2020	March 31, 2019
1.	Latest Audited Balance Sheet Date		
2.	No. of Shares of Joint Venture held by the Company on the year end	159250	159250
3.	Amount of Investment in Joint Venture	11.30	11.30
4.	Extent of Holding %	49%	49%
5.	Description of how there is significant influence	There is significant influence due to percentage of shareholding in the Joint Venture	There is significant influence due to percentage of shareholding in the Joint Venture
6.	Reason why the Joint Venture is not consolidated	N.A	N.A
7.	Networth attributable to Shareholding as per latest audited Balance Sheet	(375.88)	(274.60)
8.	Profit/ Loss for the year considered in Consolidation	(101.28)	(205.68)
9.	Profit/ Loss for the year not considered in Consolidation	(105.42)	(214.07)

Notes:

(i) Names of Subsidiaries/ Joint Venutures which are yet to commence operations: **None**

(ii) Names of Subsidiaries/ Joint Ventures which have been liquidated or sold during the year: **None**

For and on behalf of the Board

Place: Mumbai
Date: June 17, 2020

SD/-
Mr. Mohan A. Chandavarkar
Managing Director

SD/-
Mr. Ashok A. Chandavarkar
Executive Director

Annexure C to Directors' Report

BUSINESS RESPONSIBILITY REPORT

(Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	**Corporate Identity Number (CIN) of the Company**	L24239MH1940PLC003176
2.	**Name of the Company**	FDC Limited
3.	**Registered address**	B-8, MIDC Industrial Area, Waluj- 431 136, District Aurangabad, Maharashtra
4.	**Website**	www.fdcindia.com
5.	**E-mail id**	investors@fdcindia.com
6.	**Financial Year reported**	April 01, 2019 to March 31, 2020
7.	**Sector(s) that the Company is engaged in (industrial activity code-wise)**	NIC Code 21002- Manufacture and Sale of Pharmaceutical Products
8.	**List 3 (Three) key products/services that the Company manufactures/provides (as in balance sheet)**	Cefixime Range, Oral Rehydration Salts (ORS), Energy Drink, Fluconozole & Vitcofol Range.
9.	**Total number of locations where business activity is undertaken by the Company:**	
i.	**Number of International Locations (Provide details of major 5)**	The company has 2 (Two) foreign wholly owned subsidiaries located in USA & UK and (1) One Joint Venture located in South Africa.
ii.	**Number of National Locations**	The Company has 7 (Seven) manufacturing plants located at 5 (Five) locations such as Waluj, Baddi, Roha, Sinnar and Goa. It has R & D Centre located at Kandivali. The Company has 16 (Sixteen) Carrying and Forwarding Agents and 2 (Two) Central Warehouses across the Country.
10.	**Markets served by the Company Local/State/National/ International**	India and 77 Countries for Exports.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (Rs)	1,709.73 Lakhs
2.	Total Turnover (Rs)	1,41,375.05 lakhs (Standalone)
3.	Total profit after taxes (Rs)	24,677.86 lakhs (Standalone)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company's total spending on CSR is 2.36% of the average net profit in the previous 3 (Three) financial years.
5.	List of activities in which expenditure in 4 above has been incurred	The details of the CSR activities are given under Annexure H of the Directors Report.

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	Yes
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiarycompany(s)	The Company has 2 (Two) wholly owned subsidiaries incorporated in UK and USA. These Companies comply with the requirements of the respective countries wherein they operate.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company has a Code of Conduct for stakeholders, wherein they are expected to adhere to business principles consistent with those of the Company.

SECTION D: BR INFORMATION

1.a.	**Details of Director/Directors responsible for implementation of the BR Policy/ Policies:**
	DIN Number: 00043344
	Name: Mr. Mohan A. Chandavarkar
	Designation: Managing Director
1.b.	**Details of the BR Head :**
	DIN Number: 00043344
	Name: Mr. Mohan A. Chandavarkar
	Designation: Managing Director
	Telephone number: 022- 2673 9100
	Email ID: i nvestors@fdcindia.com

1. Principle-wise (as per NVGs) BR Policy / policies

Principle-wise Index

P1 - Buisness Ethics

P2 - Product Responsibiltiy

P3 - Well being of Employees

P4 - Stakeholders Engagement

P5 - Human Rights

P6 - Environment

P7 - Public Advocacy

P8 - Corporate Social Responsibility Policy

P9 - Customer Relations

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	**Do you have a policy/policies for....**	Y	Y	Y	Y	Y	Y	Not Applicable	Y	Y
2.	**Has the policy being formulated in consultation with the relevant stakeholders?**	Y	Y	Y	Y	Y	Y		Y	Y
3.	**Does the policy conform to any national/ international standards? If yes, specify? (50 words)**	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1		Refer Note 1	Refer Note 1
4.	**Has the policy being approved by the Board? If yes, has it been signed by the MD / owner / CEO / appropriate Board Director?**	Y (Signed by MD)	Y (Signed by MD)	Y (Signed by MD)	Y (Signed by MD)	Y (Signed by MD)	Y (Signed by MD)		Y (Signed by MD)	Y (Signed by MD)
5.	**Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?**	Y	Y	Y	Y	Y	Y		Y	Y
6.	**Indicate the link for the policy to be viewed online?**	www.fdcindia.com	Available on the intranet of the Company	www.fdcindia.com	www.fdcindia.com	Available on the intranet of the Company	www.fdcindia.com		www.fdcindia.com	Available on the intranet of the Company
7.	**Has the policy been formally communicated to all relevant internal and external stakeholders?**	Y	Y	Y	Y	Y	Y		Y	Y
8.	**Does the company have in- house structure to implement the policy/ policies ?**	Y	Y	Y	Y	Y	Y		Y	Y
9.	**Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?**	Y	Y	Y	Y	Y	Y		Y	Y
10.	**Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?**	Y	Y	Y	Y	Y	Y		Y	Y

a. **Details of Compliance (Reply in Y/N)**

Note 1: All the policies are broadly based on the National Voluntary Guidelines on social, environmental and economical responsibilities of business issued by the Ministry of Corporate Affairs, Government of India.

b. **If answer to the question at serial number 1 against any principle, is NO, please explain why:**

Not applicable

2. **Governance related to BR:**

(a). **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6months, Annually, More than 1 year:**

Annually

(b). **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The business responsibility report is a part of Annual Report 2019 - 2020 and can be accessed on the website of the Company i.e. www.fdcindia.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 (Business Ethics)

1. **Does the Policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?**

   Yes, the Policy relating to ethics, bribery and corruption covers not only the Company but extends to its Subsidiaries, Joint Venture and various Stakeholders dealing with the Company. The Company has various policies such as Code of Conduct, Whistle Blower and Sexual Harassment. These policies are available on the website of the Company i.e. www.fdcindia.com.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so:**

   The Company has not received any significant complaints from the Stakeholders in the last financial year.

   The details relating to shareholders complaints are given under Corporate Governance Report of the Annual Report for 2019-2020.

Principle 2 (Product Responsibility)

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   a. Antibiotic / Antibacterial System – Zifi, Zathrin & Flemiclav etc.

   b. Antidiarrhoeal, Intest , Disinfectants – Electral & Enerzal etc.

   c. Ophthalmologicals – Lotim, Mosi, Pyrimon, Zoxan, Zoxan D (Top 5 Ophthalmic).

   d. Otologicals – Otek AC Neo, Otek AC Plus.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):**

   (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

   The Company manufactures and distributes its wide range of generics, formulations, active pharmaceuticals at its internationally accredited manufacturing plants.

   There are no specific standards to ascertain reduction achieved at product level, since consumption per unit depends on the product mix.

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   There is no broad based impact on energy and water conservation by consumers due to the Company's products. However, the Company takes ongoing measures to reduce consumption of energy and water. Equally important though is the well-being of our community and the environment. So, we not only work to make our products affordable and accessible, but also take care to support the local economy and the global environment.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so:

   Yes, The Company has a well-established procedure of Vendor Development. Materials are procured both locally and internationally from approved Vendors. The Company regularly conducts audits for these Vendors. The Company has enduring business relationship with the Vendors and receives their constant support.

4. **Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding the place of work?**

   (a) If yes, what steps have been taken to improve the capacity and capability of local and small vendors? Yes

   The Company continues to procure goods and avail services from the local and small vendors, with preferences to those located around its manufacturing plants. The Company provides support to the vendors, whenever required, in developing quality products.

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)? Also, provide details thereof, in about 50 words or so:**

   Being in pharmaceutical business, recycling of products is not permitted. The Company has a mechanism to recycle the process solvents and allow the wastes to recycle at authorised offsite. Every Plant has its own Effluent Treatment Plan, in order to ensure that the discharge of waste and solvents is within the limits stipulated by the respective pollution control boards. About 20-30% of the waste water generated in the Plants is recovered, recycled and reused, thereby saving usage of fresh water. Treated waste water is used for sanitation purposes.

Principle 3 (Well being of Employees)

1. **Please indicate the Total number of employees:**

   5408 employees as on March 31, 2020

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis:**

   1061 as on March 31, 2020

3. **Please indicate the number of permanent women employees:**

   218 as on March 31, 2020

4. **Please indicate the number of permanent employees with disabilities:**

   4 as on March 31, 2020

5. **Do you have an employee association that is recognized by management?**

   There are unions of workers at few plants i.e Roha, Sinner, Waluj & Goa 1 & 2, these unions are registered under Trade Union Act, 1926. However there is no association of staff at any sites including corporate office.

6. **What percentage of your permanent employees are members of this recognized employee association?**

   Around 4.29% of the permanent employees are members of recognised employee associations.

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year: None**

8. **What percentage of your under mentioned employees were given safety and skill up gradation training in the last year? We impart safety training every year, apart from this, regular safety trainings are conducted as per SOPs.**

   (a) **Permanent Employees:** More than 75% of the operating personnel are trained at regular intervals on safety and first aid.

   (b) **Permanent Women Employees :** Around 75% of the permanent women employees are trained at regular intervals on safety and first aid. The Company does not make any discrimination while imparting training to the women employees.

   (c) **Casual/Temporary/Contractual Employees:** Around 75% Casual/ Temporary/ Contractual Employees in operating functions are trained.

   (d) **Employees with Disabilities:** The Company does not make any discrimination while imparting training to differently abled employees vis-a-vis their fellow employees.

Principle 4 (Stakeholders Engagement)

1. **Has the Company mapped its internal and external stakeholders?**

   Yes, a relationship based on mutual trust and understanding is what we aim to share with our stakeholders. The Company has mapped its Stakeholders, internal and external, who directly or indirectly influence our business operations.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**

   Yes, the Company has identified the disadvantaged, vulnerable and marginalized stakeholders.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so:**

   Yes, Your Company has identified some groups in this category. They include those who cannot afford quality health and education, communities from the lower social economic strata etc. FDC identifies their needs and addresses them to the extent possible. These initiatives include creation of infrastructural facilities in the local communities for the weaker sections and promotion of education and health amongst the social and backward groups of Society.

Principle 5 (Human Rights)

1. **Does the Policy of the Company on human rights cover only the Company or extend to the Group /Joint Ventures / Suppliers / Contractors / NGOs / Others?**

   The Policy covers the Company, its subsidiaries and all suppliers and contractors. The Companies code of conduct and human resource practices cover most of these aspects. The Company does not hire child labour or forced labour and never discriminates between its employees

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   The Company did not receive any complaint from any stakeholder in the previous financial year relating to human rights.

Principle 6 (Environment)

1. **Does the Policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

   The Policy covers only the Company. The Subsidiary Companies are independent companies located outside India and are guided by their own policies and laws of the countries where they are located.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc. Y/N? If yes, please give hyperlink for webpage etc.:**

   Conservation and optimization of natural resources has always been a priority for the Company. The Environment Policy of the Company is available on the website at www.fdcindia.com. Efforts are also made to conserve water resources and eliminate over utilization of resources.

3. **Does the Company identify and assess potential environmental risks?**

   The Company identifies and assesses the risks internally and necessary steps are undertaken at regularly intervals to minimise the risks. The Company's manufacturing facilities are internationally accredited by reputed agencies.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed:**

   The Company has installed agro-fuel fired boilers at various Plants. The Company monitors the stack emissions on quarterly basis and the same is being reported annually to the Pollution Control Board. The Company has also invested in Solar Projects at various locations for reduction in emissions.

5. **Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N? If yes, please give hyperlink for web page etc.:**

   The Company has undertaken energy efficient initiatives at different locations which is given under "Annexure D" to Directors' Report.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes

7. **Number of Show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year:**

   There were no show cause/legal notices pending as at the end of the financial year.

Principle 7 (Public Policy)

1. **Is your Company a member of any trade and chamber or association? If yes, Name only those major ones that your business deals with:**

   The Company is a member of various trade bodies, chambers and associations inter- alia:

   (a) Indian Drug Manufactures' Association (IDMA)

   (b) Bombay Chamber of Commerce and Industry (BCCI)

   (c) Federation of Pharma Entrepreneurs (FOPE)

   (d) Pharmaceutical Export Promotion Council of India (PHARMEXCIL)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No? if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others):**

   Yes, The Company continues to participate in various forums to address the various issues pertaining to public health. The Company also makes continuous efforts to provide affordable treatment to the marginalized and economical weaker sections of the Society. Efforts are also made to promote the use of generic medicines which would make medical treatment affordable to all.

Principle 8 (CSR)

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof:**

   The Company believes in the philosophy of giving back. Being in the pharmaceutical industry your Company's primary focus is healthcare. The Company has been contributing towards the rural development, education, nutritional programme, sanitation & hygiene, rehabilitation programme and other socio–economic activities, under its corporate social responsibility activities, which has benefitted the society to some extent. The CSR Policy is available on the website of the Company i.e. www.fdcindia.com and the Annual Report on CSR activities, as required under Section 135 of the Companies Act, 2013, is given under "**Annexure H**" to the Directors' Report.

   The Company would also undertake other need based initiatives in compliance with Schedule VII to the Companies Act, 2013.

2. Are the programs/projects undertaken through in-house team/own foundation / external NGO / government structures / any other organization?

The CSR programs are undertaken by the Company directly or indirectly through recognized public charitable trusts, Non-Governmental organizations and projects in partnership with Government.

3. Have you done any impact assessment of your initiative?

Yes, your Company does regular impact assessment at intervals and takes feedback from the concerned organizations and agencies on the progress of the CSR projects.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

During the year the Company has spent Rs. 537.49 Lakhs on community development programmes namely towards education, nutritional programme, sanitation & hygiene and rehabilitation programme. Please refer to "Annexure H" to Directors' report for details of the projects / activities undertaken during the year 2019-2020.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so:

The Company's representatives visit the Project sites at regular intervals and feedback is obtained to improve the projects undertaken, if required. Such steps are taken keeping in view the nature of community development measure. The details of the CSR activities are given under "**Annexure H**" to the Directors' Report.

Principle 9 (Customer Relations)

1. What percentage of customer complaints/consumer cases are pending as on the end of the financial year?

There was one pending complaint as on March 31, 2020. The pending complaint was received on March 20, 2020, and was pending due to pandemic situation and country wide lockdown, however the same was resolved in due period. The complaints are timely handled as per the internal Standard Operating Practices and responded to the Customers.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information):

The Company follows the applicable Laws, Rules and Regulations with respect to labelling and displaying of product information.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on the end of the financial year? If so, provide details thereof, in about 50 words or so:

No

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

The Company regularly carries out consumer surveys at doctor level.

For and on behalf of the Board

	SD/-	SD/-
Place: Mumbai	**Mr. Mohan A. Chandavarkar**	**Mr. Ashok A. Chandavarkar**
Date: June 17, 2020	Managing Director	Executive Director

Annexure D to Directors' Report

CONSERVATION OF ENERGY, TECHNOLOGYABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, for the year ended March 31, 2020

A) CONSERVATION OF ENERGY

1) All CFL /FTL/street light fittings replaced with energy efficient LED fittings thereby reduction in power consumption upto 45% at Baddi, Goa I, II, III and Sinner.

2) Working on the proposals for roof top solar systems at Goa plants, Sinnar plant & Nagpur depot.

B) TECHNOLOGY ABSORPTION

1) Upgradation of effluent treatment in Sinner Plant by installation of dissolved air floatation unit to separate out emulsified solid from mixed effluent and installation of new air diffuser system with MBBR media in aeration tank, which had enhanced the output water quality meeting outlet water parameter as per directive of pollution control board.

2) Replacement of boiler with energy efficient design & cyclonic dust collector which reduces the particles that goes to the environment through flue gases.

3) Existing screw chillers replaced with Trane make energy efficient chillers thereby reduction in power consumption upto 20% at Roha & Goa plant I.

4) Energy efficient VFD based air compressor installed at Waluj and Roha.

Expenditure incurred on Research & Development

	2019-2020	2018-2019
a. Capital	351.21	123.23
b. Recurring	2,578.71	2901.07
c. Total	2,929.92	3024.30
d. Total R & D expenditure as a percentage of total turnover Including CWIP	2.20%	2.81%

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Nil

For and on behalf of the Board

SD/-
Mr. Mohan A. Chandavarkar
Managing Director

SD/-
Mr. Ashok A. Chandavarkar
Executive Director

Place: Mumbai
Date: June 17, 2020

Annexure E to Directors' Report

PARTICULARS UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2019-20:

Name	Designation	Ratio
Mr. Mohan A. Chandavarkar	Managing Director	132:1
Mr. Nandan M. Chandavarkar	Joint Managing Director	101:1
Mr. Ashok A. Chandavarkar	Wholetime Director	73:1
Mr. Ameya A. Chandavarkar	Wholetime Director	67:1
Ms. Nomita R. Chandavarkar	Wholetime Director	29:1
CA. Uday Kumar Gurkar	Chairman of the Board & Independent Director	
CA. Swati S. Mayekar	Independent Director	
Mr. Melarkode Ganesan Parameswaran	Independent Director	
Ms. Usha Athreya Chandrasekhar	Independent Director	
Dr. Mahesh Bijlani	Independent Director	

Note: The remuneration to Independent Directors consists of Sitting fees and commission only.

(ii) The percentage increase / decrease in the remuneration of each Director, Chief Financial Officer and Company Secretary or manager in the Financial Year:

Name	Designation	% increase/(decrease)
Mr. Mohan A. Chandavarkar	Managing Director	58.53
Mr. Nandan M. Chandavarkar	Joint Managing Director	52.07
Mr. Ashok A. Chandavarkar	Wholetime Director	28.40
Mr. Ameya A. Chandavarkar	Wholetime Director	44.32
Ms. Nomita R. Chandavarkar	Wholetime Director	29.16
Mr. Sanjay B. Jain	Chief Financial Officer	11.50
Ms. Varsharani Katre	Company Secretary	9.40
CA. Uday Kumar Gurkar	Chairman of the Board & Independent Director	
CA. Swati S. Mayekar	Independent Director	
Mr. Melarkode Ganesan Parameswaran	Independent Director	
Ms. Usha Athreya Chandrasekhar	Independent Director	
Dr. Mahesh Bijlani	Independent Director	

(iii) The percentage increase in the median remuneration of employees in the Financial Year: 9.35%

(iv) The number of permanent employees on the rolls of the Company :

There were 5408 employees on the rolls of the Company as on March 31, 2020.

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof:

Average increase in managerial remuneration is 3.83% & for other than Managerial Personnel is 7.80%.

(i) Affirmation that the remuneration is as per the Remuneration Policy of the Company: Yes

A. *Information as per rule 5 (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.*

i. Employed throughout the financial year, was in receipt of remuneration for that year, in the aggregate, was not less than one crore and two lakhs rupees.

Sr. No.	Name	Designation	Remuneration received * (Rs. in Lakhs)	Qualification	Total No. of Experience (Years)	Date of commencement of Appointment	DOB	Age (Years)	Last Employment held	% of equity shares held
1	Mr. Dilip V. Karnik	President (Technical & Operations)	1,40,90,000	Msc (Tech)	39	21/04/2007	01/11/1952	67.4	Indoco Remedies Ltd.	0.00

ii. None of the employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month as per clause (ii) of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

iii. Employees mentioned above are neither relatives of any directors or managers of the Company, nor hold 2% or more of the paid-up equity share capital of the Company as per Clause (iii) of sub-rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

For and on behalf of the Board

Place: Mumbai Date: June 17, 2020	SD/- **Mr. Mohan A. Chandavarkar** Managing Director	SD/- **Mr. Ashok A. Chandavarkar** Executive Director

Annexure F to Directors' Report

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8 (2)
of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub - Section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. **Details of contracts or arrangements or transactions not at arm's length basis:**

   The Company has not entered into any transaction with related parties which werenot on an arm's length basis.

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

   The Company has not entered into any material contracts or transactions with related parties during the financial year 2019-20.

For and on behalf of the Board

	SD/-	SD/-
Place: Mumbai	**Mr. Mohan A. Chandavarkar**	**Mr. Ashok A. Chandavarkar**
Date: June 17, 2020	Managing Director	Executive Director

Annexure G to Directors' Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members, FDC LIMITED
(CIN: L24239MH1940PLC003176)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **FDC LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit of the Company, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; there were no ESOPS issued during the year under review.

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; there were no debts raised during the year under review.

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 regarding Reconciliation of Share Capital.

h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; There were no proposals for delisting of its Equity shares during the year under review.); and

i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; the company had complied with all the respective provisions.

vi. Other laws applicable specifically to the Company as per management representation letter namely:

Drugs and Cosmetics Act, 1940, The Pharmacy Act, 1948, The Narcotic Drugs and Psychotropic Substances Act, 1985, The Trademarks Act, 1999, The Indian Copy Right Act, 1957, The Patents Act, 1970, Food and Drug Administration licensing terms and conditions and Food Safety and Standards Act, 2006.

We have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2).

ii. SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 entered into by the Company with BSE Limited and The National Stock Exchange of India Limited .

During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations and Guidelines Standards mentioned above:

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors / Committees thereof that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance in compliance with the provisions of the Act and Secretarial Standards, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

For **SANJAY DHOLAKIA & ASSOCIATES**

(SANJAY R DHOLAKIA)
Practising Company Secretary
Proprietor
Membership No. 2655 / CP No. 1798

Date: June, 17, 2020
Place: Mumbai

ANNEXURE 1

To,
The Members, FDC LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Account of the company.

4. Wherever required, we have obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.

5. The compliance of the provisions of the Corporate and other applicable laws, rules, regulations and norms is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **SANJAY DHOLAKIA & ASSOCIATES**

(SANJAY R DHOLAKIA)
Practising Company Secretary
Proprietor
Membership No. 2655 / CP No. 1798
UDIN: F002655B000365921

Date: June, 17, 2020
Place: Mumbai

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i)
of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
FDC LIMITED

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **FDC LIMITED** having **CIN L24239MH1940PLC003176** and having registered office at **B-8, MIDC Industrial Estate, Waluj, Aurangabad - 431130** (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on **March 31, 2020** have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SANJAY DHOLAKIA & ASSOCIATES**
(SANJAY DHOLAKIA)
Practising Company Secretary
Proprietor
Membership No. 2655 / CP No. 1798
UDIN: F002655B000365974

Place: Mumbai
Date: June 17, 2020

Annexure H to Directors' Report

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2019-2020

1. **A brief outline of the Company's CSR policy, including an overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and projects or programs**

   Your Company as a socially responsible citizen has been contributing towards the rural development, education, nutritional programme, sanitation & hygiene, rehabilitation programme and other socio–economic activities, under its corporate social responsibility activities, which has benefitted the society to some extent. Your Company also does dedicative help to the society by donating for Rural Electrification Project through Parijnan Foundation, under its ambit of CSR.

   Your Company continues to engage with various communities, expert organizations and the Government, for taking up various activities, under its CSR Policy.

   The CSR Policy of the Company is available on the Company's website i.e. http://www.fdcindia.com/admin/images/Corporate_Social_Responsibility_Policy.pdf

2. **The Composition of the CSR Committee**

   a. Mr. Mohan A. Chandavarkar - Managing Director (Chairman of the Committee)

   b. Mr. Ashok A. Chandavarkar - Wholetime Director

   c. Ms. Nomita R. Chandavarkar - Wholetime Director

   d. CA. Uday Kumar Gurkar - Independent Director#

   #Appointed as member w.e.f. May 10, 2019.

3. **Average net profit of the Company for last 3 (Three) financial years: Rs. 22,789.32 Lakhs**

4. **Prescribed CSR Expenditure 2 (Two) percent of the amount as in item 3 above: Rs. 455.79 Lakhs**

5. **Details of CSR spent during the financial year 2019-2020:**

   a. Total amount to be spent in the financial year: **Rs. 455.79 Lakhs**

   b. Total amount spent for the financial year: **Rs. 537.49 Lakhs**

   c. Amount unspent, if any: **NIL**

   d. Manner in which the amount spent during the financial year is detailed below:

6. **In case the Company has failed to spend the 2 (Two) percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report**

   Your Company has spent 2.36% of the net profits as stipulated in the Companies Act, 2013.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company**

   The CSR Committee of the Board confirms that it has implemented and monitored the CSR activities, CSR Policy in accordance in compliance with the provisions of Section 135 of the Companies Act, 2013."

For and on behalf of the Board

	SD/-	SD/-
Place: Mumbai	**Mr. Mohan A. Chandavarkar**	**Mr. Ashok A. Chandavarkar**
Date: June 17, 2020	Managing Director	Executive Director

Annexure I to Directors' Report

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

AS ON FINANCIAL YEAR ENDED 31-03-2020

[Pursuant to Section 92(3) of the Companies act, 2013 read with
[The Companies (Management and Administration) Rules, 2014] FORM NO. MGT-9

A. REGISTRATION AND OTHER DETAILS:

CIN:-	L24239MH1940PLC003176
Registration Date:	September 23, 1940
Name of the Company:	FDC Limited
Category / Sub-Category of the Company	Public Company, Company having Share Capital
Address of the Registered office and contact details:	B-8, MIDC Industrial Estate, Waluj- 431 136, District Aurangabad, Maharashtra. Tel: 0240- 2554407; Fax : 0240-2554299; Website: www.fdcindia.com; Email ID: investors@fdcindia.com
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. (Sharex Dynamic (India) Pvt. Ltd. merged with Link Intime India Pvt. Ltd.) C101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083. Tel: 022- 2851 5606/ 5644/ 6338; Website: www.sharexindia.com; Email ID: support@sharexindia.com

B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service% to total turnover of the company	% to total turnover of the company
a.	Pharmaceuticals	21002	100%

C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares	Applicable Section
a	FDC International Limited, Unit No.6, Fulcrum 1,Solent Business Park, Solent Way, Whiteley, Fareham, Hampshire- PO14 7FE	Not applicable	Subsidiary	100	2(87)
b	FDC Inc., 315, Lowell Avenue, Hamilton, NJ 08619	Not applicable	Subsidiary	100	2(87)
c	Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd., Republic of South Africa	Not applicable	Joint Venture	49	2(06)

D. SHARE HOLDING PATTERN

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2019				No. of Shares held at the end of the year 31-03-2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER'S									
(1). INDIAN		0				0			
(a). Individual	94020613	0	94020613	53.9099	92396875	0	92396875	54.0418	0.1320
(b). Central Govt.		0				0			
(c). State Govt(s).		0				0			
(d). Bodies Corpp.	26439648	0	26439648	15.1601	25983035	0	25983035	15.1971	0.0370
(e). FIINS / BANKS.		0				0			
(f). Any Other		0				0			
Sub-total (A) (1):-	**120460261**	**0.0000**	**120460261**	**69.0700**	**118379910**	**0.0000**	**118379910**	**69.2389**	**0.1690**
(2). FOREIGN									
(a). Individual NRI / For Ind		0				0			
(b). Other Individual		0				0			
(c). Bodies Corporates		0				0			
(d). Banks / FII		0				0			
(e). Qualified Foreign Investor		0				0			
(f). Any Other Specify		0				0			
Sub-total (A) (2):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**120460261**	**0**	**120460261**	**69.0700**	**118379910**	**0**	**118379910**	**69.2389**	**0.1690**
(B) (1). PUBLIC SHAREHOLDING									
(a). Mutual Funds	8358294	0	8358294	4.7925	8915704	0	8915704	5.2147	0.4222
(b). Banks / FI	789294	0	789294	0.4526	521749	0	521749	0.3052	-0.1474
(c). Central Govt.or State Govt.		0		0		0		0	
(d). Alternative Investment Funds	0	0	0	0	49495	0	49495	0.0289	0.0289
(e). Insurance Companies	0	0	0	0	102704	0	102704	0.0601	0.0601
(f). FIIs	15757615	0	15757615	9.0352	9659706	0	9659706	5.6498	-3.3854
(g). Foreign Venture Capital Funds		0				0			
(h). Others (specify)		0				0			
Sub-total (B)(1):-	**24905203**	**0**	**24905203**	**14.2803**	**19249358**	**0**	**19249358**	**11.2587**	**-3.0216**
2. Non-Institutions									
(a). BODIES CORP.									
(i). Indian	2607564	0	2607564	1.4951	5271218	0	5271218	3.083	1.5879
(ii). Overseas		0				0			
(b). Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	12739841	2139864	14879705	8.5318	11915174	1892864	13808038	8.0762	-0.4556
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	9298993	0	9298993	5.3319	12184712	0	12184712	7.1267	1.7948
(c). Other (specify)									
Non Resident Indians	1873105	0	1873105	1.074	1792394	0	1792394	1.0483	-0.0257
Overseas Corporate Bodies									
Foreign Nationals		0				0			
Clearing Members	106217	0	106217	0.0609	39743	0	39743	0.0232	-0.0377
Trusts	23325	0	23325	0.0134	500	0	500	0.0003	-0.0131
NBFCs Reg. with RBI									
IEPF	248711	0	248711	0.1426	247211	0	247211	0.1446	0.002
Overseas Corporate Bodies	**26897756**	**2139864**	**29037620**	**16.6497**	**31450952**	**1892864**	**33343816**	**19.5023**	**-9.902**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**51802959**	**2139864**	**53942823**	**30.930**	**50700310**	**1892864**	**52593174**	**30.931**	**0.001**
C. Shares held by Custodian for GDRs & ADRs		**0**				**0**			
Grand Total (A+B+C)	**172263220**	**2139864**	**174403084**	**100.00**	**169080220**	**1892864**	**170973084**	**100**	

ii) Shareholding of promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the Year			ShareHolding at the end of the Year			% changes in share holding during the year
		No.of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	No.of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	
1	Meera Ramdas Chandavarkar	33624370	19.2797	0	33043676	19.3268	0	0.0471
2	Nandan Mohan Chandavarkar#	19031473	10.9123	0	18702799	10.939	0	0.0267
3	Nandan Mohan Chandavarkar*	18701621	10.7232	0	18378643	10.7494	0	0.0262
4	Leo Advisors Pvt Ltd	15863730	9.096	0	15589763	9.1183	0	0.0223
5	Virgo Advisors Pvt Ltd	10575918	6.0641	0	10393272	6.0789	0	0.0148
6	Ameya Ashok Chandavarkar	10540983	6.044	0	10358940	6.0588	0	0.0148
7	Nomita Ramdas Chandavarkar	5587737	3.2039	0	5491237	3.2118	0	0.0079
8	Nandan Mohan Chandavarkar	5354532	3.0702	0	5262059	3.0777	0	0.0075
9	Aditi C Bhanot	1179897	0.6765	0	1159521	0.6782	0	0.0017

#Holding in capacity of Trustee of Sandhya Mohan Chandavarkar Trust

*Holding in capacity of Trustee of Mohan Anand Chandavarkar Trust

iii) Change in Promoter's Shareholding (Please specify,if there is no change)

Sr. No	Shareholder's Name	Shareholding at the Beginning of the Year		Shareholding at the end of the Year				
		No.of Shares at the beginning/ end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
							No.of Shares	% of total Shares of the company
1	Meera Ramdas Chandavarkar	33624370	19.6665				33624370	19.6665
	Transfer			19 Jul 2019	(580694)	BuyBack	33043676	19.3268
	At the End of the Year						33043676	19.3268
2	Nandan Mohan Chandavarkar	19031473	11.1313				19031473	11.1313
	Transfer			12 Jul 2019	(328674)	BuyBack	18702799	10.9390
	At the End of the Year						18702799	10.9390
3	Nandan Mohan Chandavarkar	18701621	10.9383				18701621	10.9383
	Transfer			12 Jul 2019	(322978)	BuyBack	18378643	10.7494
	At the End of the Year						18378643	10.7494
4	Leo Advisors Pvt Ltd	15863730	9.2785				15863730	9.2785
	Transfer			12 Jul 2019	(273967)	BuyBack	15589763	9.1183
	At the End of the Year						15589763	9.1183
5	Virgo Advisors Pvt Ltd	10575918	6.1857				10575918	6.1857
	Transfer			12 Jul 2019	(182646)	BuyBack	10393272	6.0789
	At the End of the Year						10393272	6.0789
6	Ameya Ashok Chandavarkar	10540983	6.1653				10540983	6.1653
	Transfer			19 Jul 2019	(182043)	BuyBack	10358940	6.0588
	At the End of the Year						10358940	6.0588
7	Nomita Ramdas Chandavarkar	5587737	3.2682				5587737	3.2682
	Transfer			19 Jul 2019	(96500)	BuyBack	5491237	3.2118
	At the End of the Year						5491237	3.2118
8	Nandan Mohan Chandavarkar	5354532	3.1318				5354532	3.1318
	Transfer			12 Jul 2019	(92473)	BuyBack	5262059	3.0777
	At the End of the Year						5262059	3.0777
9	ADITI C BHANOT	1179897	0.6901				1179897	0.6901
	Transfer			19 Jul 2019	(20376)	BuyBack	1159521	0.6782
	At the End of the Year						1159521	0.6782

iv) **Shareholding pattern of top ten Shareholders (other than Directors,promoters and Holders of GDRs and ADRs):**

Sr. No	Name	No.of Shares at the beginning of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No.of shares at the end of the Year	% of total Shares of the company
1	RELIANCE CAPITAL TRUSTEE CO LTD-A/C NIPPON INDIA SMALL CAP FUND	5587699	3.2682				5587699	3.2682
	Transfer			24 May 2019	1500000		7087699	4.1455
	Transfer			14 Jun 2019	45000		7132699	4.1718
	Transfer			05 Jul 2019	12413		7145112	4.1791
	Transfer			12 Jul 2019	(1388246)		5756866	3.3671
	Transfer			19 Jul 2019	1181271		6938137	4.0580
	Transfer			02 Aug 2019	50000		6988137	4.0873
	Transfer			27 Sep 2019	10000		6998137	4.0931
	Transfer			24 Jan 2020	(150000)		6848137	4.0054
	Transfer			14 Feb 2020	600000		7448137	4.3563
	Transfer			06 Mar 2020	(57961)		7390176	4.3224
	Transfer			13 Mar 2020	(37081)		7353095	4.3007
	Transfer			21 Mar 2020	(1302663)		6050432	3.5388
	Transfer			31 Mar 2020	10000		6060432	3.5447
	AT THE END OF THE YEAR						6060432	3.5447
2	FIDELITY PURITAN TRUST-FIDELITY LOW-PRICED STOCK FUND	2901164	1.6969				2901164	1.6969
	Transfer			19 Jul 2019	(84721)		2816443	1.6473
	AT THE END OF THE YEAR						2816443	1.6473
3	BENGAL FINANCE & INVESTMENT PVT. LTD	0	0.0000				0	0.0000
	Transfer			21 Mar 2020	1036000		1036000	0.6059
	Transfer			27 Mar 2020	800000		1836000	1.0739
	AT THE END OF THE YEAR						1836000	1.0739
4	JAYASHREE VIVEK CHANDAVARKAR	1738000	1.0165				1738000	1.0165
	AT THE END OF THE YEAR						1738000	1.0165
5	ENAM ADVISORS AND INVESTMENT CONSULTANTS PVT LTD	1739721	1.0175				1739721	1.0175
	Transfer			19 Jul 2019	(50804)		1688917	0.9878
	AT THE END OF THE YEAR						1688917	0.9878
6	SUDHA SURESH NILESHWAR	786598	0.4601				786598	0.4601
	Transfer			19 Jul 2019	(13584)		773014	0.4521
	AT THE END OF THE YEAR						773014	0.4521
7	ASHISH KACHOLIA	0	0.0000				0	0.0000
	Transfer			13 Mar 2020	1192585		1192585	0.6975
	Transfer			20 Mar 2020	5500		1198085	0.7007
	Transfer			27 Mar 2020	200000		1398085	0.8177
	AT THE END OF THE YEAR						1398085	0.8177
8	SURESH KUMAR AGARWAL	0	0.0000				0	0.0000
	Transfer			13 Mar 2020	1200000		1200000	0.7019
	AT THE END OF THE YEAR						1200000	0.7019
9	ASHOK SHRINATH KALBAG	980000	0.5732				980000	0.5732
	AT THE END OF THE YEAR						980000	0.5732

Sr. No	Name	No.of Shares at the beginning of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No.of shares at the end of the Year	% of total Shares of the company
10	VIJAYA DEVDAS KAMATH	924000	0.5404				924000	0.5404
	Transfer			17 May 2019	(8000)		916000	0.5358
	Transfer			24 May 2019	8000		924000	0.5404
	Transfer			20 Mar 2020	(8000)		916000	0.5358
	Transfer			21 Mar 2020	8000		924000	0.5404
	AT THE END OF THE YEAR						924000	0.5404
11	IDFC EQUITY OPPORTUNITIES FUND - SERIES 5	414000	0.2421				414000	0.2421
	Transfer			19 Jul 2019	(7548)		406452	0.2377
	Transfer			27 Dec 2019	(271)		406181	0.2376
	Transfer			07 Feb 2020	(2181)		404000	0.2363
	Transfer			28 Feb 2020	150000		554000	0.3240
	Transfer			06 Mar 2020	300		554300	0.3242
	Transfer			13 Mar 2020	83385		637685	0.3730
	Transfer			21 Mar 2020	164593		802278	0.4692
	AT THE END OF THE YEAR						802278	0.4692
12	UTI - HEALTHCARE FUND	2117967	1.2388				2117967	1.2388
	Transfer			24 May 2019	(75046)		2042921	1.1949
	Transfer			31 May 2019	(100000)		1942921	1.1364
	Transfer			05 Jul 2019	(26604)		1916317	1.1208
	Transfer			19 Jul 2019	(36788)		1879529	1.0993
	Transfer			02 Aug 2019	(119668)		1759861	1.0293
	Transfer			09 Aug 2019	(35059)		1724802	1.0088
	Transfer			27 Sep 2019	(100000)		1624802	0.9503
	Transfer			04 Oct 2019	(9068)		1615734	0.9450
	Transfer			11 Oct 2019	(14350)		1601384	0.9366
	Transfer			18 Oct 2019	(23905)		1577479	0.9226
	Transfer			25 Oct 2019	(223322)		1354157	0.7920
	Transfer			01 Nov 2019	(100000)		1254157	0.7335
	Transfer			08 Nov 2019	(151258)		1102899	0.6451
	Transfer			15 Nov 2019	(20453)		1082446	0.6331
	Transfer			22 Nov 2019	(366937)		715509	0.4185
	Transfer			06 Dec 2019	9998		725507	0.4243
	Transfer			27 Mar 2020	42687		768194	0.4493
	AT THE END OF THE YEAR						768194	0.4493
13	FIDELITY NORTHSTAR FUND	773210	0.4522				773210	0.4522
	Transfer			19 Jul 2019	(22579)		750631	0.4390
	AT THE END OF THE YEAR						750631	0.4390
14	PINEBRIDGE INVESTMENTS GF MAURITIUS LIMITED	6884005	4.0264				6884005	4.0264
	Transfer			19 Jul 2019	(159091)		6724914	3.9333
	Transfer			22 Nov 2019	(688015)		6036899	3.5309
	Transfer			29 Nov 2019	(700000)		5336899	3.1215
	Transfer			06 Dec 2019	(500000)		4836899	2.8290
	Transfer			31 Jan 2020	(359341)		4477558	2.6189
	Transfer			07 Feb 2020	(57569)		4419989	2.5852
	Transfer			14 Feb 2020	(490098)		3929891	2.2985
	Transfer			21 Feb 2020	(258408)		3671483	2.1474
	Transfer			28 Feb 2020	(85218)		3586265	2.0976
	Transfer			06 Mar 2020	(3076289)		509976	0.2983
	AT THE END OF THE YEAR			13 Mar 2020	(509976)		0	0.0000

v) Shareholding pattern of Directors and Key Managerial personnel

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Cumulative Shareholding at the end of the year			
		No. of Shares	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No.Of shares	% of total Shares of the company
1	Mr. Mohan A. Chandavarkar	Nil		01/04/2019			Nil	
	- Closing Balance			31/03/2020				
2	Mr. Nandan M. Chandavarkar	5354532	3.07	01/04/2019	-92473	Buy Back	5262059	3.08
	- Closing Balance			31/03/2020				
3	Mr. Nandan M. Chandavarkar in capacity of Trustee of Mohan Anand Chandavarkar Trust	18701621	10.72	01/04/2019	-322978	Buy Back	18378643	10.75
	- Closing Balance			31/03/2020				
4	Mr. Nandan M. Chandavarkar in capacity of Trustee of Sandhya Mohan Chandavarkar Trust	19031473	10.91	01/04/2019	-328674	Buy Back	18702799	10.94
	- Closing Balance			31/03/2020				
5	Mr. Ashok A. Chandavarkar	Nil		01/04/2019			Nil	
	- Closing Balance			31/03/2020				
6	Mr. Ameya A. Chandavarkar	10540983	6.04	01/04/2019	-182043	Buy Back	10358940	6.06
	- Closing Balance			31/03/2020				
7	Ms. Nomita R. Chandavarkar	5587737	3.2	01/04/2019	-96500	Buy Back	5491237	3.21
	- Closing Balance			31/03/2020				
8	CA Uday Kumar Gurkar	Nil		01/04/2019			Nil	
	- Closing Balance			31/03/2020				
9	CA Swati Mayekar	Nil		01/04/2019			Nil	
	- Closing Balance			31/03/2020				
10	Mr. Melarkode Ganesan Parameswaran	Nil		01/04/2019			Nil	
	-Closing Balance			31/03/2020				
11	Ms. Usha Athreya Chadrasekhar	Nil		01/04/2019			Nil	
	- Closing Balance			31/03/2020				
12	Dr. Mahesh Bijlani	Nil		01/04/2019			Nil	
	- Closing Balance			31/03/2020				
13	CA Sanjay B. Jain	1600	0.001	01/04/2019			1600	0.001
	- Closing Balance			31/03/2020				
14	CS Varsharani Katre	Nil		01/04/2019			Nil	
	- Closing Balance			31/03/2020				

E. INDEBTEDNESS

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year		60.45		60.45
Total (i+ii+iii)		**60.45**		**60.45**
Change in Indebtedness during the financial year		11.44		11.44
Net Change		11.45		11.45
Indebtedness at the end of the financial year		49.01		49.01
Total (i+ii+iii)		**49.01**		**49.01**

F. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Mr. Mohan A. Chandavarkar	Mr. Nandan A. Chandavarkar	Mr. Ashok A. Chandavarkar	Mr. Ameya A. Chandavarkar	Ms. Nomita A. Chandavarkar	Total amount
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	139.96	107.71	52.20	53.51	24.73	378.11
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.37	2.99	0.87	0.68	0.00	4.91
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961						
2	Stock Option						
3	Sweat Equity						
4	Commission						
	- as % of profit	215.52	161.64	143.68	125.72	53.88	700.44
	- others, specify…						
5	Others, please specify						
	Total (A)	**355.85**	**272.34**	**196.75**	**179.91**	**78.61**	**1,083.46**
	Ceiling as per the Act						

Ceiling as per the Act: Rs. 3592.00 lakhs being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013.

B. Remuneration to other directors:

(Rs. in Lakhs)

Particulars of Remuneration	CA. Uday Kumar Gurkar	CA. Swati S. Mayekar	Mr. M. G. Parameswaran	Ms. Usha Athreya Chandrasekhar	Dr. Mahesh Bijlani	Total Amount
1. Independent Directors						
• Fee for attending board / committee meetings	1.55	1.55	0.75	0.75	0.60	5.20
• Commission	2.00	2.00	2.00	2.00	2.00	10.00
• Others, please specify						
Total (1)						
2. Other Non-Executive Directors						
• Fee for attending board / committee meetings						
• Commission						
• Others, please specify						
Total (2)						
Total (B)=(1+2)	**3.55**	**3.55**	**2.75**	**2.75**	**2.60**	**15.20**
Total Managerial Remuneration						**1,098.66**

Overall Ceiling as per the Act: Over all Ceiling as per the Act: Rs. 3951.20 lakhs being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013.

C. Remuneration to Key Managerial Personnel Other Than MD/MANAGER/WTD

(Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Chief financial officer	Company Secretary	
1	Gross salary	84.53	25.90	110.43
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission - as % of profit - others, specify…			
	Others, please specify			
	Total	**84.53**	**25.90**	**110.43**

G. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Authority [RD / NCLT/ COURT]
Penalty					
Punishment					
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company's philosophy of Corporate Governance is to carry out its activities and operations in a true and fair manner to achieve transparency, accountability and business prosperity. The Company's Code of Conduct, its Risk Management Policy and its well-structured internal control systems, which are subjected to regular assessment of its effectiveness, reinforces accountability and integrity of reporting and ensures fairness in dealing with the Company's stakeholders and enhancing the Shareholder's value.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regards to Corporate Governance.

Details of Company's board structure and the various committees that constitute the governance structure of the organization are covered in detail in this report.

2. BOARD OF DIRECTORS

(A). Composition and category of Directors

The Board of Directors of the Company is headed by a Non - Executive Chairman and consists of the following Directors as on March 31, 2020, as indicated below:

Name of the Directors	Category
Mr. Mohan A. Chandavarkar (DIN: 00043344)*	Promoters and Executive Directors
Mr. Nandan M. Chandavarkar (DIN: 00043511)	
Mr. Ashok A. Chandavarkar (DIN: 00042719)	
Mr. Ameya A. Chandavarkar (DIN: 00043238)	
Ms. Nomita R. Chandavarkar (DIN: 00042332)	
CA. Swati S. Mayekar (DIN: 00245261)	Non-Executive and Independent Directors
CA. Uday Kumar Gurkar (DIN: 01749610)*	
Mr. Melarkode Ganesan Parameswaran (DIN: 00792123)#	
Ms. Usha Athreya Chandrasekhar (DIN: 06517876)#	
Dr. Mahesh Bijlani (DIN: 08447258) #	

#Mr. Melarkode Ganesan Parameswaran (DIN: 00792123), Dr. Mahesh Bijlani (DIN: 08447258) & Ms. Usha Athreya Chandrasekhar (DIN: 06517876) were appointed as Additional Non-executive Independent Directors with effect from May 10, 2019 and Confirmed as Non Executive Independent Directors in the 79th Annual General Meeting of the Company held on September 27, 2019.

*Chairmanship of the Board is a non - executive position, and separate from that of the Chief Executive Officer and Managing Director, In accordance with amendments in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In compliance with the regulation Mr. Mohan A. Chandavarkar ceased to be Chairman of the Board, and CA. Uday Kumar Gurkar was appointed as Chairman of the Board with Effect from April 01, 2019.

The profiles of Directors can be found on http://www.fdcindia.com/board-of-directors.php he composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.

None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2020 have been made by the Directors.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

The names and categories of the Directors on the Board, their attendance at board meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2020 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he / she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the

Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

The Board periodically reviews the compliance reports of all laws applicable to the Company.

(B). Board Meetings held during the financial year ended March 31, 2020

Date on which the Board Meetings were held	Total Strength of the Board	No. of Directors Present
May 24, 2019	10	10
August 03, 2019	10	10
November 08, 2019	10	10
February 07, 2020	10	9
March 13, 2020	10	10

The gap between any 2 (Two) meetings did not exceed 120 (One Hundred Twenty) days.

(C). Attendance of Directors at the Board Meetings held during the year and at the previous Annual General Meeting (AGM) of the Company:

Name of the Directors	Attendance at the Board Meetings held on					Attendance at the previous AGM held on September 27, 2019
	May 24, 2019	August 03, 2019	November 08, 2019	February 07, 2020	March 13, 2020	
CA. Uday Kumar Gurkar	Present	Present	Present	Present	Present	Present
Mr. Mohan A. Chandavarkar	Present	Present	Present	Present	Present	Present
Mr. Nandan M. Chandavarkar	Present	Present	Present	Present	Present	Present
Mr. Ashok A. Chandavarkar	Present	Present	Present	Present	Present	Present
Mr. Ameya A. Chandavarkar	Present	Present	Present	Present	Present	Present
Ms. Nomita R. Chandavarkar	Present	Present	Present	Present	Present	Present
CA. Swati S. Mayekar	Present	Present	Present	Present	Present	Present
Mr. Melarkode Ganesan Parameswaran	Present	Present	Present	Present	Present	Present
Ms. Usha Athreya Chandrasekhar	Present	Present	Present	Present	Present	Present
Dr. Mahesh Bijlani	Present	Present	Present	Absent	Present	Present

(D). Membership/ Chairmanship of Directors in other boards and committees thereof

Name of the Directors	*Number of Directorship(s) held in other Indian public limited companies	Name of the Other Companies where He/ She is a Director	**other Committee(s) position	
			Member	Chairman
Mr. Mohan A. Chandavarkar	-	-	-	-
Mr. Nandan M. Chandavarkar	-	-	-	-
Mr. Ashok A. Chandavarkar	-	-	-	-
Mr. Ameya A. Chandavarkar	-	-	-	-
Ms. Nomita R. Chandavarkar	-	-	-	-
CA. Swati S. Mayekar#	1	Uniphos Enterprises Limited	2	-
CA. Uday Kumar Gurkar	-	-	-	-
Mr. Melarkode Ganesan Parameswaran##	2	Galaxy Surfactants Ltd and Rediff.com India Limited		
Ms. Usha Athreya Chandrasekhar	-	-	-	-
Dr. Mahesh Bijlani	-	-	-	-

CA. Swati Mayekar is member of Audit Committee and Stakeholder Relationship Committee in Uniphos Enterprises Limited

##Mr. Melarkode Ganesan Parameswaran is member of Audit Committee and Chairman of Stakeholders' relationship committee in Galaxy Surfactants Ltd

(E). Separate meeting of Independent Directors

During the year, a separate meeting of the Independent Directors of the Company, without the attendance of Non-Independent Directors and members of the management, was held on March 13, 2020.

The Independent Directors reviewed and assessed the performance of the Non-Independent Directors, including the Managing Director. They concluded that the Board as a whole, and the flow of information between the Company's Management and the Board in terms of quality, quantity and timeliness, is satisfactory.

(F). Details of shareholding of Non-Executive Directors in the Company

Name of the Directors	No. of shares
CA. Uday Kumar Gurkar	-
CA. Swati S. Mayekar	-
Mr. Melarkode Ganesan Parameswaran	-
Ms. Usha Athreya Chandrasekhar	-
Dr. Mahesh Bijlani	-

(G). Directors appointed/ resigned during the year ended March 31, 2020

During the Financial year 2019 – 2020, Dr. Satish S. Ugrankar, Dr. Rahim H. Muljiani, and Late CA. Vinod G. Yennemadi ceased to be Non-Executive Independent Director with effect from April 1, 2019 and Mr. Melarkode Ganesan Parameswaran (DIN . 00792123), Dr. Mahesh Bijlani (DIN. 08447258) & Ms. Usha Athreya Chandrasekhar (DIN. 06517876) were appointed as Additional Non-executive Independent Directors with effect from May 10, 2019 and confirmed as Non Executive Independent Directors of the Company in the 79th Annual General Meeting held on September 27, 2019.

(H). Code of Conduct

The Company has in place, a Policy on the Code of Conduct which is applicable to the Members of the Board and Senior Management Personnel of the Company.

The said Policy lays down the standard of conduct which is expected to be followed by the Directors and the Senior Management Personnel in their business dealings and in particular on matters relating to integrity in the workplace, in business practices and in dealing with the Stakeholders. It also lays down the duties of Independent Directors towards the Company. The Directors and the Senior Management Personnel of the Company are expected to abide by this Code as well as other applicable Company policies or guidelines.

The Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them, during the year ended March 31, 2020. A Certificate duly signed by the Mr. Mohan A. Chandavarkar, Managing Director and Mr. Ashok A. Chandavarkar, Executive Director, on the compliance with the Code of Conduct is provided as **Annexure A** to this report.

The said Policy is available on the website of the company i.e. http://www.fdcindia.com/admin/images/Code_of_Conduct_of_FDC_Limited.pdf

(I). Prevention of Insider Trading

The Company has in place a Policy on the Code of Conduct which is duly amended from time to time for Prevention of Insider Trading with a view to regulate the trading in securities by the Promoters, Directors and the Designated Employees of the Company.

The said Policy requires pre-clearance of transactions by the Company, for dealing in the shares of the Company and prohibits the purchase or sale of shares by the Promoters, Directors and the Designated Employees, while in possession of unpublished price sensitive information and during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the said Code of Conduct. The Promoters, Directors and the Designated Employees have affirmed compliance with the Company's Code of Conduct for Prevention of Insider Trading.

The Company have also implemented mechanism for structured digital database with effect from April 01, 2020, it further helped to track the details of trades, also ensures compliance of Code of Conduct.

The said Policy is available on the website of the company i.e. http://www.fdcindia.com/admin/images/CODE_OF_CONDUCT_FOR_PREVENTION_OF_INSIDER_TRADING.pdf

(J). Board Training and Induction/ Familiarization Programmes of Independent Directors

At the time of their appointment, a formal letter of appointment is issued to Directors, which inter alia explains the role, duties and responsibilities expected from them as Director of the Company.

The Managing Director gives a brief insight on the operations of the Company, its various divisions, governance and internal control processes and other relevant information pertaining to the Company's business. Further, the Company Secretary also explains in detail the various compliances required to be done by the Director under the Code of Conduct of the Company, Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant Act, Rules and Regulations.

The Company has a familiarization programme for Independent Directors with regard to their roles, responsibilities, the business model of the Company etc. The familiarization programme alongwith details of the same imparted to the Independent Directors during the year are available on the website of the Company, i.e. http://www.fdcindia.com/admin/images/Familiarisation_Programme_2019_-_20.pdf

The above initiative facilitates the Director in performing his duties diligently and trains him to fulfill his duties as a Director of the Company effectively.

(K). Inter-se relationship amongst the Directors

Mr. Mohan A. Chandavarkar, Managing Director, Mr. Nandan M. Chandavarkar, Joint Managing Director, Mr. Ameya A. Chandavarkar, CEO - International Business & Executive Director,

Mr. Ashok A. Chandavarkar and Ms. Nomita R. Chandavarkar, Executive Directors are related to each other.

None of the Non-Executive Directors have relationship inter-se, with any of the Directors of the Company.

(L). Board Agenda

Meetings are governed by a structured Agenda. The Board Members, in consultation with the Chairman, may take up any matter for consideration of the Board. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions.

Apart from the items that are required to be placed before the Board for its approval, the information as enumerated in Part A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are also placed before the Board for its consideration and approval.

(M). Performance Evaluation of the Board

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own, the Directors individually as well as collectively evaluates working of its Audit, Nomination and Remuneration and Compliance Committees, based on the evaluation parameters formulated by the Nomination and Remuneration Committee. The performance evaluation of the Independent Directors and the Committees was carried out by the entire Board. The performance evaluation of the Non-Independent Directors was carried out by the Independent Directors, who also reviewed the flow of information between the Company's Management and the Board in terms of quality, quantity and timeliness. The Directors expressed their satisfaction with respect to the performance.

(N). Matrix Specifying Board Competence

The Table below shows competencies which are taken into Consideration required in context of Business for its effective functions. Competence of Board includes experience, expertise, knowledge, skills, of Board of Directors.

Competency	Definition
Leadership	Includes Vast Leadership Experience, Practical understanding of organization, Key role in strategic planning and risk management.
Financial Analysis	Ability to comprehend, interpret and guide on Financial statements, Audit committee presentations and other Business Matters.
Business Strategy	Ability to understand, review and guide Strategy by analyzing the Company's competitive position and benchmarking taking into account market and industry trends
Technical & Production	Includes periodical review of manufacturing of Pharmaceuticals products, Active involvement in Research and Development activities, Knowledge of supply chain activities etc.
Sales and Marketing	Experience in developing strategies to improve sales and Market share. Build brand and enhance enterprise reputation.
Technology	Means Significant background in technology, Active participation in evaluation of technological trends, generate disruptive innovation and helps in creating dynamic business model.
Global Business	Includes Driving business success in markets around the world with an understanding of diverse business environment.

Comprehensive chart stating core skills / expertise / competencies identified by the Board of Directors in the context of its business and sector available with the Board are as follows:

Sr. No.	Definition	Qualification	Area of Expertise
1	Mr. Mohan A. Chandavarkar	Bachelor of Science (Hons.) from Bombay University	Leadership, Financial Analysis, Business Strategy, Technical & Production, Sales and Marketing.
2	Mr. Nandan M. Chandavarkar	Bachelor of Pharmacy from Karnataka University	Financial Analysis, Business Strategy, Technical & Production, Sales and Marketing.

Sr. No.	Definition	Qualification	Area of Expertise
3	Mr. Ashok A. Chandavarkar	Bachelor of Engineering (Mechanical)	Financial Analysis, Business Strategy, Technical & Production,
4	Mr. Ameya A. Chandavarkar	Bachelor of Science in Information Systems, and Marketing Management from Florida Southern College, Lakeland, USA and MBA from INSEAD (France and Singapore).	Financial Analysis, Business Strategy, Sales & Marketing, Technology, and Global Business.
5	Ms. Nomita R. Chandavarkar	B.com from University of Bombay	Financial Analysis and Business Strategy
6	CA. Swati S. Mayekar	Fellow Member of Institute of Chartered Accountants in India and an Associate Member of the Institute of Company Secretaries of India	Financial Analysis, Business Strategy, Technology
7	CA. Uday Kumar Gurkar	Fellow Member of Institute of Chartered Accountants in India and an Associate Member of the Institute of Company Secretaries of India	Financial Analysis, Business Strategy, Technology, Global Business
8	Mr. Melarkode Ganesan Parameswaran	Chemical Engineer from IIT Madras and MBA from IIM Calcutta, PhD from Mumbai University, Advanced Management Programme from Harvard Business School	Marketing, Branding Advertising and Sales
9	Dr. Mahesh Bijlani	[MBBS, MS (Gen. Surgery), DNB (Gen. Surgery), FKAC (MIS) (Germany)	Consultant Surgeon specialised in Advanced Laparoscopic Surgery
10	Ms. Usha Athreya Chandrasekhar L.L.B	L.L.B	Intellectual Properties, which covers trademarks, patents, copyrights, designs, franchising , licensing

3. COMMITTEES OF THE BOARD

(A). Audit Committee

(i). Brief description of terms of reference

The powers, role and terms of reference of this Committee cover the matters specified in Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee, comprising of financially literate members, is responsible for the effective supervision of the financial operations and ensuring that financial, accounting activities and operating controls are exercised as per the laid down policies and procedures.

Some of the important functions performed by the Committee are as follows:

Financial reporting and other related processes

- Oversight of the Company's financial reporting process and the financial information submitted to Stock Exchanges, Regulatory Authorities or to the Public.
- Reviewing with the Management the Quarterly Unaudited Financial Statements and the Auditors' Limited Review Report thereon, Audited Annual Financial Statements and Auditors' Report thereon, before submission to the Board for approval.
- Review the Management Discussion & Analysis of financial and operational performance.
- Review the investments made by the Company.
- Discuss with the Statutory Auditors its opinion about the quality and appropriateness of the Company's accounting policies with reference to the Generally Accepted Accounting Principles in India (IND AS).

Internal Financial Controls and Governance Processes

- Review the adequacy and effectiveness of the Company's system and internal controls.
- Review and discuss with the Management, the Company's major financial risk exposures and the steps taken by the Management to monitor and control such exposure.
- To oversee and review the functioning of a vigil mechanism.

Audit & Other duties

- Review the scope of the Annual audit plan and the Internal audit with a view to ensure adequate coverage.
- Review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto.
- Review and recommend to the Board the appointment/ re-appointment of the Statutory Auditors and Cost Auditors.
- Recommend to the Board the remuneration of the Statutory Auditors and Cost Auditors.
- Approve such additional services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Act and the payment of such services.
- Reviewing the annual Cost Audit Report submitted by the Cost Auditor.
- Grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm's length basis and to review and approve such transactions subject to the approval of the Board.
- Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same. Ms. Varsharani Katre, Company Secretary acts as Compliance officer to ensure compliance and effective implementation of the Insider Trading Code.

(ii). Composition of the Committee

The Committee comprises of 2 (Two) Non-Executive Independent Directors and 1 (One) Executive Director. The Company Secretary acts as the Secretary to the Committee. The CFO is the permanent invitee to the Committee meeting. The Internal Auditor and the concerned partners/ authorised representatives of Statutory Auditors are regular invitees of the Committee meetings.

CA. Swati S. Mayekar is the Chairperson of the Committee, CA. Uday Kumar Gurkar and

Mr. Mohan A. Chandavarkar are the other members of the committee.

CA. Swati S. Mayekar, and CA. Uday Kumar Gurkar are Chartered Accountants by profession and have considerable accounting and financial management expertise and Mr. Mohan A. Chandavarkar is also financially literate.

(iii). Committee meetings held during the year ended March 31, 2020

Dates on which the Committee Meetings were held	Total Strength of the Committee	No. of Directors Present
May 24, 2019	3	3
August 03, 2019	3	3
November 08, 2019	3	3
February 07, 2020	3	3

(iv). Attendance of Directors at the Committee meetings

Name of the Director	Attendance at the Committee Meetings held on			
	May 24, 2019	August 03, 2019	November 08, 2019	February 07, 2020
CA. Swati S. Mayekar	Present	Present	Present	Present
Mr. Mohan A. Chandavarkar	Present	Present	Present	Present
CA. Uday Kumar Gurkar	Present	Present	Present	Present

(B). Nomination and Remuneration Committee

(i). Brief description of terms of reference

The powers, role and terms of reference of this Committee cover the matters specified in Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Some of the functions of the Committee are as follows:

- Identifying and selection of candidates for appointment/ re-appointment of Directors and Key Managerial Personnel based on certain laid down criteria.
- Recommend to the Board the setup and composition of the Board and its committee.
- Formulate and review from time to time, the Policy for selection and appointment of Directors, Key Managerial Personnel and Members of the Executive Committee and their remuneration.

Reviewing the performance of the Board of Directors, Key Managerial Personnel and Members of the Executive Directors based on certain criteria as approved by the Board. While reviewing the overall remuneration of the Board, the Committee ensures that the remuneration is reasonable and adequate enough to retain the best managerial talent and meets appropriate performance benchmarks set out by the Company.The Committee identifies and recommends the appointment of persons as Directors/ Independent Directors based on certain criteria laid down in the Nomination and Remuneration Policy, as determined and formulated by the Board. The Committee also reviews the appointments and remuneration, including the commission based on the net profits of the Company for , Managing Director and other Executive Directors.

(ii). Composition of the Committee

The Committee comprises of 5 (Five) Non-Executive Independent Directors. The Company has Re-Constituted the Committee with effect from May 10, 2019. As per new constitution

CA. Swati Mayekar holds chairmanship of the Committee and Mr. Melarkode Ganesan Parameswaran, Dr. Mahesh Bijlani, CA. Uday Kumar Gurkar & Ms. Usha Athreya Chandrasekhar were appointed as members of Committee. The Company Secretary acts as the Secretary to the Committee.

(iii). Committee meeting held during the year ended March 31, 2020

Dates on which the Committee Meetings were held	Total Strength of the Committee	No. of Directors Present
May 24, 2019	5	5

(iv). Attendance of Directors at the Committee meetings

Name of the Director	Attendance at the Committee Meetings held during the year
CA. Swati S. Mayekar	1
CA. Uday Kumar Gurkar	1
Mr. Melarkode Ganesan Parameswaran	1
Dr. Mahesh Bijlani	1
Ms. Usha Athreya Chandrasekhar	1

(v). Performance evaluation criteria for Independent directors

The criteria for performance evaluation cover the areas relevant to the functioning as Independent Directors such as participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation; the Directors who are subject to evaluation had not participated. Pursuant to the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 and conditions of the Listing Regulations and based on the detailed statements / questionnaire circulated with the agenda, the Independent Directors in their separate meeting held on March 13, 2020 had reviewed the performance of Non-Independent Directors, except the director being evaluated.

(C). Remuneration of Directors

(i). There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company, which has a potential conflict with the interests of the Company at large.

(ii). The Remuneration Policy for the Board of Directors and Senior Management Personnel, as recommended by the Nomination and Remuneration Committee and is approved by the Board. The remuneration paid to the Non-Executive Directors comprises of sitting fees and commission. The sitting fees paid to the Non-Executive Directors in respect of the meetings of the Board and the Audit Committee attended by them is within the maximum limit set out under the Companies Act, 2013. The Commission paid to the Directors is in accordance with the overall ceiling imposed by the Companies Act, 2013 and applicable statutes, if any. The remuneration paid to the Senior Management Personnel is in accordance with the industry norms and practices. The Nomination and Remuneration Policy is also uploaded on the Website of the Company i.e. http://www.fdcindia.com/admin/images/Nomination_&_Remuneration_Policy.pdf

(iii). Details of remuneration paid to Executive Directors for the year under review:

Name of the Director	Salaries (Rs.)	Perquisites (Rs.)	Benefits (Rs.)	Commission (Rs.)	Super annuation	Total
Mr. Mohan A. Chandavarkar	1,19,61,795	37,399	8,96,136	2,15,52,013	11,20,170	355,85,513
Mr. Ashok A. Chandavarkar	44,51,290	86,811	3,33,531	143,68,009	4,16,914	1,96,74,555
Mr. Nandan M. Chandavarkar	92,01,195	2,99,359	6,89,340	1,61,64,010	8,61,675	2,72,33,579
Mr. Ameya A. Chandavarkar	45,63,440	68,258	3,41,904	1,25,72,008	4,27,380	1,79,90,990
Ms. Nomita R. Chandavarkar	22,84,430	0	1,70,604	53,88,003	0	78,61,037

The remuneration of the Whole time Directors is paid in terms of Schedule V of the Companies Act, 2013 and is duly approved by the Shareholders.

(iv). Details of service contracts, notice period and severance fees of the Executive Directors:

The appointment of Executive Directors is by virtue of their employment with the Company as management employees and therefore, their terms of employment are governed by the applicable policies at the relevant point in time.

The Details of service contracts of the Executive Directors are as follows:

Name of the Director	Date of contract	Term of Contract
Mr. Mohan A. Chandavarkar	April 01, 2019	Re – Appointed in the meeting held on February 08, 2019, For a period of 5 years commencing from April 01, 2019
Mr. Ashok A. Chandavarkar	February 29, 2016	For a period of 5 years commencing from February 29, 2016
Mr. Nandan M. Chandavarkar	March 01, 2019	For a period of 5 years commencing from March 01, 2019
Mr. Ameya A. Chandavarkar	November 01, 2019	For a period of 5 years commencing from November 01, 2019
Ms. Nomita R. Chandavarkar	June 02, 2019	For a period of 5 years commencing from June 02, 2019

Services of the Executive Directors may be terminated by either party, giving the other party 90 (Ninety) days notice or the Company paying 90 (Ninety) days salary in lieu thereof. There is no separate provision for payment of severance fees.

(v). Details of remuneration payable to Non-Executive Directors for the year ended March 31, 2020

Name of the director	Commission (Rs.)	Board Meeting Sitting fees (Rs.)	Audit Committee Meeting Fees (Rs.)	Total (Rs.)
CA. Swati S. Mayekar	2,00,000	75,000	80,000	3,55,000
CA. Uday Kumar Gurkar	2,00,000	75,000	80,000	3,55,000
Mr. Melarkode Ganesan Parameswaran	2,00,000	75,000	-	2,75,000
Ms. Usha Athreya Chandrasekhar	2,00,000	75,000	-	2,75,000
Dr. Mahesh Bijlani	2,00,000	60,000	-	2,60,000
Total	**10,00,000**	**3,60,000**	**1,60,000**	**15,20,000**

(vi). Stock Option Scheme

The Company does not have any stock option scheme.

(D). Stakeholders Relationship Committee

The Committee is constituted in line with the provisions as specified in Section 178 of the Companies Act, 2013 and Regulations 20 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The broad terms of reference are as under:

- Consider and resolve grievances of stakeholders.
- Consider and approve issue of duplicate share certificates, transfer and transmission of securities, etc.
- Periodically review the investors' complaints.

i. Composition of the Committee

The Committee comprises of 1 (One) Non-Executive Independent Director and 2 (Two) Executive Directors. The Committee functions under the Chairmanship of Ms. Usha Athreya Chandrasekhar, a Non-Executive Independent Director, Mr. Mohan A. Chandavarkar and

Mr. Ashok A. Chandavarkar, Executive Directors are the other members of the committee. The Company Secretary acts as the Secretary to the Committee.

ii. Name and designation of the Compliance Officer

Ms. Varsharani Katre is the Company Secretary and the Compliance Officer of the Company.

iii. Committee meetings held during the year

Date on which the Committee Meetings were held	Total Strength of the Committee	No. of Directors Present
May 13, 2019	3	3
July 13, 2019	3	3
October 15, 2019	3	3
January 13, 2020	3	3

iv. Attendance of Directors at the Committee meetings

Name of the Director	Attendance at the Committee Meetings held during the year
Ms. Usha Athreya Chandrasekhar	4
Mr. Mohan A. Chandavarkar	4
Mr. Ashok A. Chandavarkar	4

v. Number of complaints received and resolved

During the year under review, the Company had received 15 (Fifteen) complaints from the shareholders. There were no shareholder grievances that remained unattended/ pending for more than 30 (Thirty) days. The complaints were resolved to the satisfaction of the shareholders and there was 1 grievance/ complaint pending as on March 31, 2020.

The Committee specifically looks into redressing of shareholders/investor complaints in matters such as non - receipt of declared dividend, non – receipt of annual report, transfer/ transmission of shares, etc.

In order to expedite the process of transfers of shares, the Board has delegated the power to approve share transfers to the Share Transfer Committee set up by the Board of Directors.

(E). Corporate Social Responsibility Committee

The Committee is constituted to oversee activities to be undertaken by the Company under the provisions of Section 135 of the Companies Act, 2013, monitoring the CSR Policy of the Company, other business related matters referred by the Board or the Chairman, as and when deemed necessary, for the consideration and recommendation of the Committee.

Brief terms of reference are as under:

- The terms of reference of the Committee broadly comprise of formulate and recommend to the Board, the CSR Policy indicating activities to be undertaken by the Company as specified in Schedule VII of the Companies Act.
- Recommend the amount of expenditure to be incurred on the activities to be incurred on the activities mentioned in the CSR policy.
- Monitor the CSR policy.

(i). Composition of the Committee

The Committee comprises of total 4 members includes 3 (Three) Executive Directors and 1 (One) Non-Executive Independent Director. The said committee functions under the Chairmanship of Mr. Mohan A. Chandavarkar, Mr. Ashok A. Chandavarkar, CA. Uday Kumar Gurkar and Ms. Nomita R. Chandavarkar are the other members of the committee. The Company Secretary acts as a Secretary to the Committee.

CA. Uday Kumar Gurkar was appointed as member of Corporate Social Responsibility Committee on May 10, 2019.

(ii). Committee meetings held during the year

Date on which the Committee Meetings were held	Total Strength of the Committee	No. of Directors Present
August 03, 2019	4	4
November 08, 2019	4	4

(iii). Attendance of Directors at the Committee meetings

Name of the Director	Attendance at the Committee Meetings held on	
	August 03, 2019	November 08, 2019
Mr. Mohan A. Chandavarkar	Present	Present
CA. Uday Kumar Gurkar	Present	Present
Mr. Ashok A. Chandavarkar	Present	Present
Ms. Nomita R. Chandavarkar	Present	Present

(F). Risk Management Committee

The Committee is constituted in line with the provisions of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The functions of the Committee comprises of overseeing the Risk Management Policy of the Company, reviewing the various risks and defining the framework for identifying, assessing and monitoring the risk.

(i). Composition of the Committee

The Committee comprises of CA. Swati S. Mayekar, Non-Executive Independent Director as Chairperson of the Committee, Mr. Ameya A. Chandavarkar, Executive Director and Mr. Dilip V. Karnik, President- Technical & Operations, as members of the Committee.The Company Secretary acts as a Secretary to the Committee.

(ii). Committee meetings held during the year

Date on which the Committee Meetings were held	Total Strength of the Committee	No. of Directors/ Members Present
March 18, 2020	3	3
March 24, 2020	3	3

4. CEO/ CFO CERTIFICATION

Mr. Mohan A. Chandavarkar, Managing Director & Mr. Sanjay B. Jain, Chief Financial Officer, has issued necessary certification to the Board in terms of Part B of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same was taken on record by the Board at its meeting held on June 17, 2020. A copy of this certificate is provided as **Annexure B** to this report.

5. GENERAL BODY MEETINGS

(A). Location and time of the last three Annual General Meetings held:

Financial year	Location	Date	Time	No. of special resolutions passed
2016-17	WelcomHotel Rama International R-3, Chikalthana Aurangabad - 431 210 Maharashtra	August 19, 2017	10.00 a.m.	Yes, 2 (Two) resolution was passed.
2017-18	WelcomHotel Rama International R-3, Chikalthana Aurangabad - 431 210 Maharashtra	September 07, 2018	10.00 a.m.	Yes, 1 (One) resolution was passed.
2018-19	WelcomHotel Rama International R-3, Chikalthana Aurangabad - 431 210 Maharashtra	September 27, 2019	10.00 a.m.	Yes, 1 (One) resolution was passed.

(B). None of the businesses proposed to be transacted in the ensuing Annual General Meeting requires to be passed as a special resolution through Postal Ballot.

6. MEANS OF COMMUNICATION

The Company publishes its Annual, Half yearly and Quarterly financial results in the following newspapers:

(i). Business Standard (English) (All Editions)(National)

(ii). Loksatta (Marathi) (All Editions)

The financial results are also displayed on the Company's website, i.e. www.fdcindia.com. The Company also informs by way of intimation to BSE Limited and National Stock Exchange Limited all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members.

A separate dedicated section under 'Investors' on the Company's website gives information on unclaimed dividends, quarterly compliance reports/ communications with the Stock Exchanges and other relevant information of interest to the investors / public.

7. GENERAL SHAREHOLDER INFORMATION

(A). Annual General Meeting

Date : September 30, 2020

Time : 10.00 a.m.

Venue : Through Video Conference and other Audio Visual Mechanism

(B). Financial Year

The Company's financial year begins on April 01 and ends on March 31, every year.

(C). Financial Calendar (tentative)

Particulars	Date
Unaudited results of the first quarter ending June 30, 2020	August 07, 2020
Unaudited results of the second quarter and half year ending September 30, 2020	November 06, 2020
Unaudited results of the third quarter and nine months ending December 31, 2020	February 05, 2021
Audited results for the year ending March 31, 2021	May 21, 2021

(D). Dividend Payments

During the year the Company has declared and paid Interim Dividend @80% (Rs. 0.80, Eighty Paise Per Equity Shares) on 170,973,084 on paid up Equity shares having face value of Rs. 1/- each for the financial year 2019 - 2020 absorbing sum of Rs. 13,67,78,468/- (Rupees Thirteen Crores Sixty Seven Lakhs Seventy Eight Thousand Four Hundred and Sixty Eight Only.).

(E). Dates of book closure

September 24, 2020 to September 30, 2020 (both days inclusive)

(F). Name and address of Stock Exchanges where the shares of the Company are listed and Stock Code

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400 001 Stock Code: 531599	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra (East), Mumbai- 400 051 Stock Code: FDC EQ

The ISIN Number of the Company on both the National Security Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') is INE258B01022.

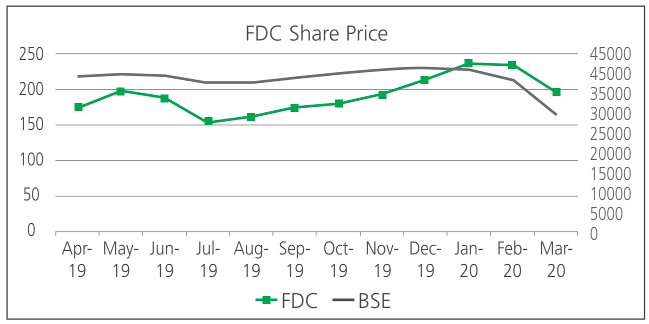
The Company has paid the Annual Listing Fees to both the Stock Exchanges for the Financial Year 2020-2021.

(G). Market Price Data in respect of the Company's shares on BSE Limited and National Stock Exchange of India Limited, monthly high and low during the Financial Year 2019-2020

Month & Year	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2019	175.00	154.75	176.00	154.35
May, 2019	219.95	161.45	200.55	195.10
June, 2019	208.90	170.30	196.70	177.10
July, 2019	192.75	152.00	168.00	154.10
August, 2019	165.00	154.00	161.80	160.05
September, 2019	182.00	159.50	176.00	174.00
October, 2019	182.60	152.50	181.50	178.60
November, 2019	204.30	175.00	194.00	188.15
December, 2019	219.40	189.40	219.90	210.00
January, 2020	244.40	205.00	240.00	225.05
February, 2020	269.20	222.00	238.95	230.00
March, 2020	245.90	165.65	195.95	186.50

(Source: BSE website/NSE trade statistics)

(H). Share Performance of the Company in comparison to broad based indices of BSE- Sensex



Note: Based on monthly closing price of FDC and monthly closing index point of BSE Sensex.

(I). Registrars and Share Transfer Agent

Link Intime India Pvt. Ltd.
(Sharex Dynamic (India) Pvt. Ltd. merged with Link Intime India Pvt. Ltd.)
C 101, 247 Park, LBS Marg, Vikhroli West,
Mumbai 400 083
Tel.: (022) 2851 5606, 2851 5644,
E-mail ID.: support@sharexindia.com

(J). Share Transfer System

The Share Transfer Committee inter-alia oversees the transfer of shares, transmission of shares, issue of duplicate share certificates, etc. The formalities for transfer of shares in the physical form are completed and the share certificates are dispatched to the Transferee within 15 (Fifteen days) of receipt of transfer documents, provided the documents are complete and the shares under transfer are not under dispute.

The Company also obtains from a Company Secretary in Practice, a half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40 (9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and a copy of the certificate is filed with the Stock Exchanges.

(K). Shareholding Pattern as on March 31, 2020

	Category	No. of Shareholders	No. of Shares	% of shareholding
A.	**Promoters & Promoters Group**	**9**	**11,83,79,910**	**69.24**
B.	**Public**			
(I)	**Institutional Investors**			
	Mutual Funds & UTI	10	89,15,704	5.21
	Foreign Portfolio Investors	90	96,59,706	5.65
	Financial Institutions/ Banks	2	21,749	0.01
	Insurance Companies	2	602,704	0.35
(II)	**Non Institutional Investors**			
	Indian Public	24,178	2,52,46,147	14.77
	IEPF	1	2,47,211	0.14
	Alternative Investment	2	49,495	0.03
	Private Corporate Bodies	243	32,88,679	1.92
	NRI/OCBs	682	17,92,403	1.05
	HUF	920	7,46,594	0.44
	NBPCs Registered with RBI	2	18,36,650	1.07
	Clearing Members	75	1,85,632	0.11
	Trusts	1	500	0.00
	Grand Total	**26,217**	**17,09,73,084**	**100.00**

(L). Distribution of Shareholding as on March 31, 2020

Equity shares of face value of Re.1 each	Shareholders		Equity shares	
	Number	% to total	Number	% to total
Upto 5,000	26,314	97.956	96,56,111	6.259
5,001 to 10,000	263	0.979	19,28,454	1.123
10,001 to 20,000	117	0.435	16,55,693	0. 968
20,001 to 30,000	35	0. 130	8,83,794	0. 517
30,001 to 40,000	16	0. 060	5,83,635	0. 341
40,001 to 50,000	11	0. 041	4,90,246	0. 287
50,001 to 1,00,000	31	0. 115	23,15,965	1. 355
Above 1,00,001	76	0. 283	15,34,59,186	89.76
Total	**26,863**	**100.00**	**17,09,73,084**	**100.00**

(M). Dematerialisation of shares and liquidity

The shares of the Company are in the compulsory demat segment and are available in the depository system, both in National Security Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL').

As on March 31, 2020, 16,90,80,220 equity shares aggregating to 98.89% of the total number of fully paid equity shares having face value of Re.1 each are held by the shareholders in the dematerialised form.

(N). Outstanding Global Depository Receipts (GDRs)/ American Depository Receipts (ADRs)/ Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments.

(O). Commodity price risk or foreign exchange risk and hedging activities

During the financial year 2019-2020, the Company has not entered into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign exchange exposures are disclosed in Note to the Annual Accounts.

(P). Plant locations

As mentioned on the cover page of the Annual Report.

(Q). Address for correspondence

Shareholders holding shares in the physical form should address their correspondence to the Company's Registrar and Share Transfer Agents at the address as given under 7(I) above. Shareholders holding shares in the demat form should address their correspondence to their respective depository participants with whom they have their accounts.

8. The information required under the Management Discussion and Analysis Report has been aptly covered under the Directors' Report.

9. OTHER DISCLOSURES

(A). During the year, the Company has not entered into any transaction of a material nature with any related party as described under the Listing Regulation entered into with the stock exchanges that may have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note to the Annual Accounts. The Policy on dealing with related party transaction has been disclosed on the website of the company i.e.

http://www.fdcindia.com/admin/images/Policy_on_Related_Party_Transactions.pdf

(B). The Company is listed on the stock exchanges namely, BSE Limited and National Stock Exchange of India, Limited, Mumbai. During the past 3 (Three) years there have been no instances of non-compliance by the Company with the requirements of the Stock Exchanges, Securities and Exchange Board of India ('SEBI') or any other statutory authority on any matter related to capital markets.

(C). In compliance with applicable laws and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is committed to adopting procedures to receive and address any concern or complaint regarding questionable accounting or auditing matters, disclosure matters, reporting of fraudulent financial information to the shareholders, or any other company matters involving fraud, employee misconduct, violation of law, theft, dishonesty, inappropriate behavior /conduct, illegality or health and safety and environmental issues which cannot be resolved through normal management channels. The Company has a whistle blower committee in place. The Chairperson of the Audit Committee has an access to the meetings of the Committee.

The Company has in place, a Whistle Blower Policy, which aims at assisting the Directors, Employees, Customers and/or Third party intermediaries and Shareholders to use the procedures set out in this Policy to submit confidential and/or anonymous complaints.

The Whistle Blower Policy is also uploaded on the website of the Company i.e. http://www.fdcindia.com/admin/images/Whistler_Blower_Policy.pdf

(D). During the year ended March 31, 2020, the Company does not have any material listed/unlisted subsidiary companies as defined in Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy for determining 'material' subsidiaries has been disclosed on the website of the Company i.e. http://www.fdcindia.com/admin/images/Policy_on_Material_Subsidiaries.pdf

The Company is in compliance with all requirements as given in the above Paragraphs (2) to (9) of the Corporate Governance Report as mandated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

10. The status on the compliances with the non-mandatory provisions as specified in Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as follows:

(A). Shareholder Rights

The Company's half yearly results are published in leading English and Marathi daily newspapers in all editions. The results are also posted on the website of the Company i.e. www.fdcindia.com and hence, are not dispatched to the shareholders of the Company.

(B). Modified opinion(s) in audit report

There are no modified opinion(s) contained in the Audit Report.

(C). Separate Posts of Chairman and CEO/Managing Director

As on Year ending March 31, 2020, the Position of Chairman and CEO/Managing Director was not separate, However with effect from April 01, 2019 Mr. Mohan Anand Chandavarkar (Managing Director) ceased to be Chairman of the Board and CA. Uday Kumar Gurkar (Non – Executive Independent Director) was appointed as Chairman of the Board.

(D). Reporting of Internal Auditors

The Internal Auditors of the Company report directly to the Audit Committee.

11. RECONCILIATION OF SHARE CAPITAL

The Practicing Company Secretary carried out the share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL. Quarterly reports are available on the website of the Company i.e. www.fdcindia.com

For and on behalf of the Board

	SD/-	SD/-
	Mr. Mohan A.	**Mr. Ashok A.**
Place: Mumbai	**Chandavarkar**	**Chandavarkar**
Date: June 17, 2020	Managing Director	Executive Director

ANNEXURE A

DECLARATION ON CODE OF CONDUCT

This is to confirm that the Company has laid down a Code of Conduct for all its Board Members and Senior Management personnel of the Company. The code of conduct has also been posted on the website of the Company i.e.www.fdcindia.com. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended March 31, 2020, as envisaged in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For and on behalf of the Board

	SD/-	SD/-
Place: Mumbai	**Mr. Mohan A. Chandavarkar**	**Mr. Ashok A. Chandavarkar**
Date: June 17, 2020	Managing Director	Executive Director

ANNEXURE B

CEO/CFO CERTIFICATION

To,
The Board of Directors
FDC Limited

We, Mohan A. Chandavarkar, Managing Director and Sanjay B. Jain, Chief Financial Officer, of FDC Limited ("the Company") certify that:

1. We have reviewed the financial statements and cash flow statement for the year ended March 31, 2020 and that to the best of our knowledge and belief, we state that:
   a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
   a. Significant changes, if any, in internal control over financial reporting during the year;
   b. Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   c. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting .

	SD/-	SD/-
Place: Mumbai	**Mr. Mohan A. Chandavarkar**	**Sanjay B. Jain**
Date: June 17, 2020	Managing Director	Chief Financial Officer

Independent Auditor's Certificate on Corporate Governance

To the Members of FDC Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated 6 May 2020 and addendum to the engagement letter dated 8 June 2020 with FDC Limited.

2. This report contains details of compliance of conditions of Corporate Governance by FDC Limited ('the Company'), for the year ended on 31 March 2020, as stipulated in regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

3. The compliance with the conditions of the Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedure to ensure the compliance with conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2020.

6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("the ICAI") and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagement

Opinion

8. In our opinion, and to the best of our information and according to explanation given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulation 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vikas R Kasat
Partner
Membership No: 105317
ICAI UDIN: 20105317AAAACM6573

Mumbai
17 June 2020

Independent Auditor's Report

To the Members of

FDC Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of FDC Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters

Key audit matter	How our audit addressed the key audit matter
Revenue recognition	
The Company recognises revenue from the sales of pharmaceutical products when control over goods is transferred to the customer based on the specific terms and conditions of the sale contracts entered into with respective customers. We have identified recognition of revenue as a key audit matter as – • revenue is a key performance indicator; and • there is a presumed fraud risk of revenue being overstated through manipulation of the timing of transfer of control due to pressures to achieve performance targets as well as meeting external expectations.	Our procedures included the following: • Assessing the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards; • Testing of design, implementation and operating effectiveness of the Company's general Information Technology ('IT') controls and key IT application controls by involving our IT specialists; • Performing substantive including testing of recognition of revenue in the appropriate period by selecting statistical samples of revenue transactions recorded during and at the end of the financial year. • Examining the underlying documents such as sales invoices/ contracts and dispatch/shipping documents for the selected transactions. • Assessing manual journals posted in revenue ledger to identify any unusual items;

Litigations, claims and contingencies	Our procedures included the following:
The Company operates in multiple jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of operations including transfer pricing and indirect tax matters. The company is also involved in multiple litigations/ legal actions arising out of commercial claims for customers/ vendors. These involve significant judgement by the Company to determine the possible outcome of the litigation, consequently having an impact on related accounting and disclosures in the standalone financial statements. Considering the complexity, possible interpretations and the magnitude of the potential exposures, this is considered a key audit matter. Refer note 42 to the standalone financial statements.	• Evaluating the design, implementation and testing the operating effectiveness of controls in respect of the recognition and measurement of provisions towards litigation and claims; • Performing enquiries with the in-house legal compliance officer to evaluate the adequacy of provisions towards litigations and claims recognised by the Company; • Read and analyze select key correspondence, orders and appeals documents, external legal opinions/ consultations obtained by the Company; • Obtaining independent confirmations from external lawyers where relevant; • Involving our internal tax experts to assess various tax position taken by the Company with respect to complex tax matters; • Assessing and challenging the Company's estimate of the possible outcome of the disputed cases considering legal precedence and other judicial rulings; and • Assessing and testing the presentation and disclosures relating to litigation, claims and contingencies.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors' use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 42 to the standalone financial statements;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vikas R Kasat
Partner
Membership No: 105317
UDIN: 20105317AAAACK1353

Place: Mumbai
Date : June 17, 2020

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Annexure A to the Independent Auditors' Report – 31 March 2020

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner at reasonable intervals. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. Pursuant to the programme, certain fixed assets were physically verified by the Management during the year. In our opinion, and according to the information and explanations give to us, no material discrepancies were noticed on such verification

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immoveable properties (other than leasehold land) as disclosed in Note 2 to the standalone financial statements, are held in the name of the Company. In respect of leasehold lands, we have verified the lease agreements are duly registered with the appropriate authorities as disclosed in Note 2 to the standalone financial statements.

(ii) The inventory, except for stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and these have been properly dealt with in the books of accounts.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) (a), (b) and (c) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanation given to us, the Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of the loans and investments made. The Company has not provided any guarantees and security to the parties covered under Section 186 of the Act.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148 (1) of the Act in relation to products manufactured, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Labour Welfare fund, Income-tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. Amounts deducted/accrued in the books of account in respect of undisputed statutory dues relating to Profession tax have generally been regularly deposited during the year by the Company with the appropriate authorities, though there have been slight delays in a few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Labour Welfare fund, Profession tax, Income-tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

Also, refer note 43 to the standalone financial statements.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value added tax which have not been deposited with the appropriate authorities on account of dispute, except for the following:

Name of the statute	Nature of the dues	Amount of demand under dispute (Rs. in lakhs)	Amount paid under protest (Rs. in lakhs)	Amount under dispute not deposited (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Gujarat Sales Tax Act / Uttar Pradesh Sales Tax Act / West Bengal Sales Tax Act / Maharashtra Sales Tax Act	Tax / Penalty / Interest	71.70	11.71	59.99	A.Y. 2002-03, 2003-04	Sales Tax Appellate Tribunal
		27.10	14.11	12.99	A.Y. 2010-11	Joint Commissioner (Appeals)
		19.10	-	19.10	A.Y. 2002-03, 2003, 2006-07	Revisional Board - Commercial Tax
GST	Duty / Penalty / Interest	4.49	-	4.49	March 2018 – May 2019	Assist. Commissioner of Customs – West Bengal
Income-tax Act, 1961	Tax / Interest/ Penalty	3,968.22	2,101.50	1,866.72	A.Y. 2009-10, 2010-11, 2012-13, 2013-14, 2015-16, 2016-17, 2017-18, 2018-19.	Commissioner of Income tax (Appeals)
		6.12	-	6.12	A.Y. 2012-13	Income Tax Appellate Tribunal

(viii) In our opinion and according to the information and explanations given to us, and based on the records of the Company, the Company has not defaulted in the repayment of dues to the government. The Company does not have any loans or borrowings from any banks, financial institutions or debenture holders during the year.

(ix) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vikas R Kasat
Partner
Membership No: 105317
UDIN: 20105317AAAACK1353

Place: Mumbai
Date : June 17, 2020

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Annexure B to the Independent Auditors' Report on the standalone financial statements of FDC Limited for the year ended 31 March 2020

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of FDC Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (' hereinafter referred to as 'the Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vikas R Kasat
Partner
Membership No: 105317
UDIN: 20105317AAAACK1353

Place: Mumbai
Date : June 17, 2020

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Standalone Balance Sheet

as at 31st March 2020

₹ in lakhs

	PARTICULARS				Note No.	As at 31st March 2020	As at 31st March 2019
I	ASSETS						
1	Non-current assets						
	(a)	Property, plant and equipment			2	65,105.25	67,203.25
	(b)	Capital work-in-progress			2	2,385.00	1,238.14
	(c)	Right-of-use assets			2	1,249.76	-
	(d)	Other intangible assets			2	621.95	643.83
	(e)	Financial assets					
		(i)	Investments		3	16,253.47	17,932.69
		(ii)	Loans		4	612.71	580.22
		(iii)	Other financial assets		5	2.25	3.17
	(f)	Income tax assets (net)			6	1,582.93	1,485.26
	(g)	Other non-current assets			7	415.17	552.60
	Total non-current assets					88,228.49	89,639.16
2	Current assets						
	(a)	Inventories			8	20,949.30	17,273.40
	(b)	Financial Assets					
		(i)	Investments		9	50,224.12	40,592.77
		(ii)	Trade receivables		10	12,419.46	8,352.07
		(iii)	Cash and cash equivalents		11	2,651.90	1,436.26
		(iv)	Bank balances other than (iii) above		12	243.98	133.92
		(v)	Loans		13	116.90	72.61
		(vi)	Other financial assets		14	1,924.94	522.84
	(c)	Other current assets			15	3,799.85	4,523.95
	Total current assets					92,330.45	72,907.82
	TOTAL ASSETS					180,558.94	162,546.98
II	EQUITY AND LIABILITIES						
	EQUITY						
	(a)	Equity share capital			16	1,709.73	1,751.89
	(b)	Other Equity			17	152,472.12	141,552.34
	Total Equity					154,181.85	143,304.23
	LIABILITIES						
1	Non-current liabilities						
	(a)	Financial liabilities					
		(i)	Borrowings		18	34.36	49.01
		(ii)	Lease liabilities		19	928.69	-
		(iii)	Other financial liabilities		20	-	138.60
	(b)	Provisions			25	32.40	39.00
	(c)	Deferred tax liabilities (net)			21	920.63	1,332.50
	Total non-current liabilities					1,916.08	1,559.11
2	Current liabilities						
	(a)	Financial liabilities					
		(i)	Trade payables		22		
			(A)	Total outstanding dues of micro and small enterprises		1,810.68	1,188.21
			(B)	Total outstanding dues of creditors other than micro and small enterprises		9,943.72	6,531.65
		(ii)	Other financial liabilities		23	7,335.35	5,520.51
	(b)	Other current liabilities			24	617.94	567.99
	(c)	Provisions			25	3,391.45	2,475.26
	(d)	Current tax liabilities (net)			26	1,361.87	1,400.02
	Total current liabilities					24,461.01	17,683.64
	TOTAL EQUITY AND LIABILITIES					180,558.94	162,546.98
Significant accounting policies					1.3		
The accompanying notes are an integral part of the standalone financial statements.					1 to 54		

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

VIKAS R.KASAT
Partner
Membership No : 105317

Place : Mumbai
Date : June 17, 2020

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Place : Mumbai
Date : June 17, 2020

Standalone Statement of Profit and Loss

for the year ended 31st March 2020

₹ in lakhs

	PARTICULARS	Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
I	Revenue from operations	27	133,109.30	107,587.40
II	Other income	28	8,265.75	5,479.98
III	**Total Income (I+II)**		**141,375.05**	**113,067.38**
IV	**Expenses**			
	Cost of materials consumed	29	33,837.92	29,997.36
	Purchase of stock-in-trade		8,154.37	6,644.19
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	461.00	(2,192.66)
	Employee benefits expense	31	27,618.36	22,619.34
	Finance costs	32	341.49	143.19
	Depreciation and amortisation expense	33	3,736.33	3,313.77
	Other expenses	34	34,679.59	28,515.18
	Total Expenses		**108,829.06**	**89,040.37**
V	**Profit before exceptional items and tax (III-IV)**		**32,545.99**	**24,027.01**
VI	Exceptional items	49	-	397.11
VII	**Profit before tax (V-VI)**		**32,545.99**	**23,629.90**
VIII	**Tax expense:**	26		
	(1) Current tax		8,280.00	6,660.00
	(2) Deferred tax		(411.87)	(183.73)
	Total Tax expense		**7,868.13**	**6,476.27**
IX	**Profit for the year (VII-VIII)**		**24,677.86**	**17,153.63**
X	**Other comprehensive income**	36		
	(i) Items that will not be reclassified subsequently to profit or loss		(447.64)	(109.93)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		92.01	20.80
	Other comprehensive income for the year (net of tax)		**(355.63)**	**(89.13)**
XI	**Total Comprehensive income for the year (net of tax) (IX+X)**		**24,322.23**	**17,064.50**
XII	**Earnings per equity share**	35		
	Par Value ₹ 1 per share (Previous year ₹ 1 per share)			
	(1) Basic (₹)		**14.34**	**9.84**
	(2) Diluted (in ₹)		**14.34**	**9.84**
Significant accounting policies		1.3		
The accompanying notes are an integral part of the standalone financial statements.		1 to 54		

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

VIKAS R.KASAT
Partner
Membership No : 105317

Place : Mumbai
Date : June 17, 2020

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Place : Mumbai
Date : June 17, 2020

Standalone Statement of Cash Flows

for the year ended 31st March 2020

₹ in lakhs

PARTICULARS		2019-2020	2018-2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before exceptional items and tax		32,545.99	24,027.01
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expenses		3,736.33	3,313.77
Interest expenses		301.70	107.58
Interest income		(767.71)	(544.24)
Net gain on disposal of property, plant and equipment		(1,767.13)	(21.44)
Dividend income		(4,628.07)	(2,352.90)
Net loss/ (gain) on sale of investments		1,178.04	(345.74)
Fair value loss/ (gain) on financial instruments		1,315.95	(1,672.64)
Provision for Financial Instruments		1,500.00	-
Unrealised foreign exchange gain/ (loss) on restatement		(94.16)	145.85
Provision for FDC SA		71.26	-
Allowances for credit loss		5.43	16.01
Provision for doubtful debts no longer required, written back		(15.99)	(0.68)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**33,381.64**	**22,672.58**
Working capital adjustments:			
Increase in inventories		(3,675.90)	(1,307.99)
Increase in trade receivables		(3,941.65)	(786.33)
(Increase)/ decrease in financial assets		(76.15)	86.26
Decrease/ (Increase) in other assets		718.59	(123.53)
Increase/ (decrease) in provision		636.00	(317.41)
Increase/ (decrease) in trade and other payables		5,239.32	(2,685.16)
CASH GENERATED FROM OPERATIONS		**32,281.85**	**17,538.42**
Income tax paid (net)		(8,377.67)	(7,159.91)
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES	**(A)**	**23,904.18**	**10,378.51**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and other intangible assets		(3,123.27)	(4,272.96)
Proceeds from disposal of property, plant and equipment		2,751.17	52.33
Purchase of financial instruments		(98,368.49)	(77,560.65)
Proceeds from sale of financial instruments		84,794.56	68,148.03
Repayment of inter corporate deposit given		-	25.00
(Increase)/ decrease in fixed and margin deposits		(1.96)	11.64
Loan given to joint venture		(48.32)	(86.11)
Dividend income		4,628.07	2,352.90
Interest received		887.81	399.89
NET CASH FLOW USED IN INVESTING ACTIVITIES	**(B)**	**(8,480.43)**	**(10,929.93)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Buyback of equity shares		(12,005.00)	-
Expenses incurred for buyback of equity shares		(107.31)	-

₹ in lakhs

PARTICULARS		2019-2020	2018-2019
Dividends (including dividend distribution tax) paid		(1,370.45)	-
Repayment of lease liabilities		(598.33)	-
Repayment of sales tax deferral loan		(11.44)	(9.03)
Amount (paid)/ deposited in bank accounts towards unpaid dividend		(107.18)	2.39
NET CASH FLOW USED IN FINANCING ACTIVITIES	**(C)**	**(14,199.71)**	**(6.64)**
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	**(A)+(B)+(C)**	**1,224.04**	**(558.06)**
Net foreign exchange differences on cash and cash equivalents		(8.40)	0.09
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (Refer note 11)		**1,436.26**	**1,994.23**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Refer note 11)		**2,651.90**	**1,436.26**

Notes to the Standalone Statements of Cash Flows

1. Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the Statement of Cash Flow comprises of the following Balance Sheet items.

₹ in lakhs

Particulars	As at 31st March 2020	As at 31st March 2019
Cash on hand	11.85	8.64
Balances with banks:		
In current accounts	2,562.63	1,061.34
In deposit accounts (with original maturity of 3 months or less)	77.42	366.28
	2,651.90	**1,436.26**

2. The Statement of Cash Flows have been prepared under the indirect method as set out in Ind AS 7 - Statement of Cash Flows.
3. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.

₹ in lakhs

Particulars	Note No.	As at 31st March 2019	Cash flows	Non-cash changes			As at 31st March 2020
				Acquisition	Foreign exchange movement	Fair value change	
Borrowings	18						
Deferred sales tax loans		60.45	(11.44)	-	-	-	**49.01**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

VIKAS R.KASAT
Partner
Membership No : 105317

Place : Mumbai
Date : June 17, 2020

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Place : Mumbai
Date : June 17, 2020

Standalone Statement of changes in equity

for the year ended 31st March 2020

(A) Equity share capital

₹ in lakhs

Particulars	No. in lakhs	Amount
Balances as at 1st April 2018	1,775.48	1,751.89
Changes during the year	-	-
Balances as at 31st March 2019	**1,775.48**	**1,751.89**
Less: 34,30,000 Equity shares of Re.1 each bought back	(34.30)	(34.30)
Less : Cancellation of forfeited Equity shares	(31.45)	(7.86)
Balances as at 31st March 2020	**1,709.73**	**1,709.73**

(B) Other equity

₹ in lakhs

Particulars	Reserves and Surplus				Other Comprehensive Income	Total Equity
	Retained earnings	General reserves	Capital reserve	Capital redemption reserve	Equity instruments through OCI	
Balances as at 1st April 2019	109,557.38	31,955.84	-	34.30	4.82	141,552.34
Profit for the year	24,677.86	-	-	-	-	24,677.86
Other comprehensive income/ (loss) for the year (net of taxes) (Refer note 36)	(273.59)	-	-	-	(82.04)	(355.63)
Total Comprehensive income for the year	**24,404.27**	**-**	**-**	**-**	**(82.04)**	**24,322.23**
Dividends (including dividend distribution tax) (Refer note 37)	(1,370.45)	-	-	-	-	(1,370.45)
Cancellation of forfeited Equity Shares	-	-	7.86	-	-	7.86
Expenses for buyback of Equity Shares (Refer note 16)	(107.31)	-	-	-	-	(107.31)
Premium paid on buyback of Equity Shares	-	(11,970.70)	-	-	-	(11,970.70)
Transfer from General Reserve on Equity Shares bought back	-	(34.30)	-	34.30	-	-
Excess DDT Paid adjusted against oustanding demand	38.15	-	-	-	-	38.15
Balances as at 31st March 2020	**132,522.04**	**19,950.84**	**7.86**	**68.60**	**(77.22)**	**152,472.12**

₹ in lakhs

Particulars	Reserves and Surplus			Other Comprehensive Income	Total Equity
	Retained earnings	General reserves	Capital redemption reserve	Equity instruments through OCI	
Balances as at 1st April 2018	92,442.48	31,955.84	34.30	55.22	124,487.84
Profit for the year	17,153.63	-	-	-	17,153.63
Other comprehensive income/ (loss) for the year (net of taxes) (Refer note 36)	(38.73)	-	-	(50.40)	(89.13)
Total Comprehensive income for the year	**17,114.90**	**-**	**-**	**(50.40)**	**17,064.50**
Balances as at 31st March 2019	**109,557.38**	**31,955.84**	**34.30**	**4.82**	**141,552.34**

The above statement of changes in Equity should be read in conjunction with the accompanying note 17 to the standalone financial statements.

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

VIKAS R.KASAT
Partner
Membership No : 105317

Place : Mumbai
Date : June 17, 2020

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Place : Mumbai
Date : June 17, 2020

Notes to the standalone financial statements

for the year ended March 31, 2020

1. COMPANY OVERVIEW, SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS.

1.1 CORPORATE INFORMATION

FDC Limited (the "Company") is a public listed Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its equity shares are listed on two recognised stock exchanges Bombay Stock Exchange and National Stock Exchange in India. The registered office of the company is located at Waluj, Dist. Aurangabad, Maharashtra.

The Company is principally engaged in the business of Pharmaceuticals.

The standalone financial statements for the year ended 31st March, 2020 were authorised for issue by the Company's board of directors on 17th June, 2020.

1.2 BASIS OF PREPARATION AND MEASUREMENT

Statement of compliance

These standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the Section 133 of the Companies Act, 2013 ("" the Act"") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amended Rules, 2016, and the relevant provisions and amendments, as applicable."

Basis of preparation and measurement

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

- Certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value; and

- Defined benefit plans - plan assets measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The standalone financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information have presented in Indian Rupees (INR) and all amount have been rounded-off to the nearest lakhs, unless otherwise stated.

1.3 SIGNIFICANT ACCOUNTING POLICIES

a CURRENT AND NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has identified twelve months as its operating cycle for the purpose of current / non-current classification of assets and liabilities.

Notes to the standalone financial statements

for the year ended March 31, 2020

b REVENUE RECOGNITION

Revenue recognition under Ind AS 115 (applicable from 1st 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 has adopted Ind AS 115 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e. 1st April, 2018).

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

Sale of products

Revenue from sale of goods is recognized at point in time when control is transferred to the customer and it is probable that consideration will be collected. Control of goods is transferred upon the shipment of the goods to the customer or when goods is made available to the customer.

Profit share revenues

The Company has certain marketing arrangements based on the profit sharing model whereby Company sells its products to the business partner on price agreed upon agreement and is also entitled for profit share over and above its sale price. Revenue from the sale of goods to the partner is recognised upon delivery of products to them. Whereas amount representing the profit share component is recognised as revenue in the period which corresponds to the ultimate sales of the products made by business partners and when the collectability of the profit share becomes probable and reliable.

Sales returns

The Company accounts for sales returns by recording an allowance for sales returns concurrent with the recognition of revenue at the time of product sale. This allowance is based on the Company's estimate of expected sales returns towards expiry, breakages and damages. The estimate of sales returns is determined primarily by the Company's historical experience of sales returns trends with respect to the shelf life of various products.

Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR) as set out in Ind AS 109. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

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

Other income

Other income is accounted for on accrual basis except where the receipt of income is uncertain.

c PROPERTY, PLANT AND EQUIPMENT

The items of Property, plant and equipment including capital work-in-progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Notes to the standalone financial statements

for the year ended March 31, 2020

When significant parts of plant and equipment are required to be replaced at regular intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred. In respect of additions to /deletions from the plant, property and equipment, depreciation is provided on pro-rata reference to the month of addition/deletion of the Assets.

Subsequent expenditures related to an item of Property, plant and equipments is added to its book value, only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

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.

All identifiable revenue expenses including interest incurred in respect of various projects / expansion, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital work–in–progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in standalone financial statements.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Depreciation method and estimated useful lives

Depreciation on the property, plant and equipment is provided on straight line method.

The company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Gain or loss on Disposal

Any gain or losses on disposal of property, plant and equipment is recognised in the standalone statement of profit and loss.

Estimated useful life's of the assets are as follows:

Nature of Tangible Assets	Useful Life (No. of Years) As per Companies Act, 2013	Useful Life (No. of Years) As estimated by the Company
Plant and Machinery	7.5 to 15	7.5 to 15
Building	30 to 60	30 to 60
Laboratory Testing machines	10	10
Office Equipments	5	5
Furniture, Fixtures and fittings	10	10
Computers and Peripherals	3 to 6	3 to 6
Vehicles	8	6
Electrical Installations	10	10
Leasehold land	Over the period of lease	Amortised over the period of lease ranging from 30 to 99

Assets costing less than ₹5,000 are depreciated at the rate of hundred per cent.

Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date and if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's 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

Notes to the standalone financial statements

for the year ended March 31, 2020

discount rate that reflects current market assessments of the time value of the money and risks specific to the assets. In determining fair value less costs of disposal, recent market transactions taken into account. If no such transactions can be identified, an appropriate valuation model is used.

After recognition of impairment loss, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on straight line basis over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

d Other Intangible Assets

Other Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets with finite life are measured at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the amount of the asset and are recognised in the statement of profit and loss when the asset is de-recognised.

A summary of the policies applied to the Company's other intangible assets is as follows:

Nature of Other Intangible Assets	Useful life (No. of years)- As estimated by Company	Amortisation method used
Software and Trademarks	5 to 10	Amortised on straight line basis

e 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

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss, on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset."

Subsequent measurement

For purpose of subsequent measurements, financial assets are classified in following categories:

(a) Debt instruments at amortised cost

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

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 integral part of EIR. The EIR amortisation is included in Other Income in the statement of profit and loss.

(b) Debt instruments at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements is recognised in the OCI. However, company recognises any interest income or impairment losses in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the OCI to statement of profit and loss.

(c) Debt instruments at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. Debt instruments included within FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

(d) Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. For all equity instruments, the Company may make an irrevocable election to present in other comprehensive income, subsequent changes in the fair value. All fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. The Company has made such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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 when:

* The rights to receive cash flows from the asset has 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 Company'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.

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

Impairment of financial assets

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

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

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

(c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of trade receivables or contract assets.

Notes to the standalone financial statements

for the year ended March 31, 2020

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade Receivables and Other Receivables.

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 that are possible within 12 months after the reporting date.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost, contractual revenue 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.

Equity 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 trade receivables only, the company applies the simplified approach permitted by Ind AS 109 financial instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

FINANCIAL LIABILITIES

The Company classifies all financial liabilities as subsequently measured at amortised cost or FVTPL.

Initial recognition and measurement

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

The Company's financial liabilities include trade and other payables and borrowings including bank overdrafts.

Subsequent measurement

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 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. This category also includes derivative financial instruments entered into by the company that are not designated as instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised 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 and loss.

f FAIR VALUE MEASUREMENT

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets/ declared buyback NAV for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

g INVENTORIES

Raw materials and packing materials are valued at lower of cost and net realisable value, cost of which includes duties and taxes and is arrived at on weighted average cost basis. Cost of imported raw materials and packing materials lying in bonded warehouse includes customs duty. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Notes to the standalone financial statements

for the year ended March 31, 2020

Finished products including traded goods and work-in-progress are valued at lower of cost and net realisable value. Cost is arrived at on weighted average cost basis. Cost of finished products and work-in-progress includes material cost, labour, direct expenses, production overheads and applicable taxes, where applicable.

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.

h FOREIGN CURRENCY TRANSLATION/ TRANSACTIONS

The financial statements are presented in Indian Rupees (INR) which is company's functional and presentation currency.

Monetary assets and liabilities denominated in a foreign currency outstanding at the year end are restated at the year end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expense in the year in which they arise.

i GOVERNMENT GRANTS

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/ subsidy will be received and all attaching conditions will be complied with.

Government grants related to revenue is recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

Government grants relating to specific fixed assets is recognised as income in equal amounts over the expected useful life of the related asset.

j EMPLOYEE BENEFITS

All employee benefits payable wholly within twelve months rendering service are classified as short term employee benefits. 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.

Defined contribution plans

Company's contribution to recognised provident fund, family pension fund and superannuation fund is defined contribution plan and is charged to the statement of profit and loss on accrual basis. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. There are no other obligations other than the contribution payable to the respective trusts.

The Company fully contributes all ascertained liabilities to the FDC Limited Gratuity Trust (the Trust). Trustees administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by laws of India.

Defined benefit plans

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Contribution to gratuity fund is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Remeasurement of the net defined liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest income) are recognised in other comprehensive income. Remeasurement are not reclassified to the statement of profit and loss in subsequent periods. Net interest and other expenses related to defined benefits plan are recognised in the statement of profit and loss.

Notes to the standalone financial statements

for the year ended March 31, 2020

Other employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. The Company has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method at the end of financial year.

k RESEARCH AND DEVELOPMENT EXPENSES

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an other intangible asset when the Company can demonstrate technical and commercial feasibility of making the asset available for use.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

l INVESTMENTS IN SUBSIDIARIES

A subsidiary is an entity that is controlled by the Company.

The Company accounts for the investments in equity shares of subsidiaries at cost in accordance with Ind AS 27- Separate Financial Statements.

m LEASE ACCOUNTING

Company as a lessee

The Company lease asset classes primarily consist of leases for land and buildings. The Company assess whether a contract contains a lease, at inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control 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.

The right-of-use 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.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. 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.

The lease liability is initially measured at amortized cost at the present value of the future lease payments.

Notes to the standalone financial statements

for the year ended March 31, 2020

The lease payments are discounted using the generally accepted interest rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

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

Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Effective 1st April, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st April 2019 using the modified retrospective method and has taken the cumulative effect of initially applying the Standard and recognised at the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the generally accepted interest rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the generally accepted interest rate at the date of initial application. Comparatives as at and for the year ended 31st March, 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 31st March, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset and a 'lease liability'. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. 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.

Ind AS 116 - Practical expedients

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 difference between the lease obligation recorded as of 31st March 2019 under Ind AS 17 disclosed under Note 46 and the value of the lease liability as of 1st April 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The interest rate applied to lease liabilities as at 1st April 2019 is 8.95%.

n EARNING PER SHARE

Basic earning per share is computed by dividing the net profit after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is computed by dividing the net profit after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, if any.

o TAXATION

Current tax

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted by the balance sheet date.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which unused tax credits and unused tax losses can be recognised. At each balance sheet date, the Company reassesses unrecognised deferred tax assets and are recognised to the extent that it is probable that future taxable profit will be available for their realisation.

Current and deferred tax for the year

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible a temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax are recognised in the 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.

Minimum Alternate tax (MAT)

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and adjusted when the Company will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognised to the extent probable that the unused tax credit can be utilised in the specified future period. The net amount of tax recoverable from, or payable to, the authority is included as part of receivables or payables in the balance sheet.

p PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

Notes to the standalone financial statements

for the year ended March 31, 2020

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

q CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of benefits is probable, contingent asset is 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.

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

r SEGMENT REPORTING

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocate the resources based on an analysis of various performance indicators by business segments. The Company's chief operating decision maker is the Managing Director of the Company.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

s CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the cash flows statement, 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.

t CASH DIVIDEND TO EQUITY HOLDERS

The Company recognises a liability to make cash distribution to equity holders of the company when the distribution is authorised and the distribution is no longer at the discretion of the company. As per the law, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

u EXCEPTIONAL ITEMS

The Company discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying operating performance of the Company and provides consistency with the Company's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Company. Exceptional item can include, but are not restricted to, impairment loss on investments/long term loans exchange gain/ (loss) on long term borrowings/ assets and changes in fair value of derivative contracts.

v POLICY FOR STATEMENT OF CASH FLOWS

The Company's statement of cash flows are prepared using the Indirect method, whereby profit/ loss for the period 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 flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

1.4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect reported amounts of revenue, expenses, assets and liabilities and the disclosures of contingent assets and liabilities as at the date of the financial statements and the results of operations during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Sales returns

Revenue from sale of products is recognised when significant risks and rewards of ownership are transferred to customers, which coincides with dispatch of goods to customers. However, the Company needs to accept goods returned from its customers towards expiry, breakages and damages. Accordingly, the Company has made provision based on the historical sales return trends with respect to the shelf life of various products.

Impairment of financial assets

The Company recognises loss allowances on financial assets using expected credit loss model which is equal to the 12 months expected credit losses or full time expected credit losses.

The Company follows 'Simplified approach' for recognition of loss allowance on trade receivables under which company does not track changes in credit risk. Rather, it recognises loss allowance based on lifetime expected credit losses at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair value of financial assets and liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements includes considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Useful life of property, plant and equipment and other intangible assets

As described in Note 1.3 (c and d), the Company reviews the estimated useful lives and residual values of property, plant and equipment and other intangible assets at the end of each reporting period. During the current financial year, the management has reassessed the useful lives of certain property, plant and equipment and other intangible assets and the impact of the change is not material for the year. There were no changes in residual values of the property, plant and equipment and other intangible assets.

Notes to the standalone financial statements

for the year ended March 31, 2020

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. The assessment of probability involves estimation of a number of factors including future taxable income.

Provision against obsolete and slow-moving inventories

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Company estimates the net realisable value for such inventories based on the latest invoice prices and current market conditions. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Company reassesses the estimation on each balance sheet date.

The provision against obsolete and slow-moving inventories requires the use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact on the carrying value of inventories and the write-down of inventories recognised in the periods in which such estimates have been changed.

Recent accounting pronouncements

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 1st April, 2020.

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2 PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF- USE ASSETS, OTHER INTANGIBLE ASSETS AND CAPITAL WORK-IN-PROGRESS

₹ in lakhs

PARTICULARS	GROSS CARRYING VALUE				DEPRECIATION / AMORTISATION				NET CARRYING VALUE	
	As at 31st March 2019	Additions	Deletions / Adjustments	As at 31st March 2020	As at 31st March 2019	For the year	Deletions / Adjustments	As at 31st March 2020	As at 31st March 2020	As at 31st March 2019
PROPERTY, PLANT AND EQUIPMENT										
Leasehold land	333.26	-	-	333.26	30.99	7.60	-	38.59	294.67	302.27
Leasehold Improvements	383.95	-	-	383.95	106.46	76.06	-	182.52	201.43	277.49
Freehold land *	41,544.78	-	834.62	40,710.16	-	-	-	-	40,710.16	41,544.78
Buildings **	13,008.69	-	134.83	12,873.86	1,647.83	400.58	11.78	2,036.63	10,837.23	11,360.86
Plant and machinery	11,033.66	827.42	48.15	11,812.93	4,872.03	1,102.29	43.07	5,931.25	5,881.68	6,161.63
Laboratory testing machines	3,226.59	303.57	32.85	3,497.31	1,356.70	356.32	24.32	1,688.70	1,808.61	1,869.89
Electrical installations	1,213.09	54.18	6.72	1,260.55	635.93	119.48	3.41	752.00	508.55	577.16
Furniture, fixtures and fittings	2,355.60	106.36	-	2,461.96	1,096.06	199.66	-	1,295.72	1,166.24	1,259.54
Office equipments	2,414.19	247.18	7.62	2,653.75	1,507.19	400.73	6.84	1,901.08	752.67	907.00
Vehicles	452.82	168.04	35.56	585.30	255.05	62.24	35.37	281.92	303.38	197.77
R & D Assets										
Freehold land	449.09	-	-	449.09	-	-	-	-	449.09	449.09
Buildings	1,120.24	-	-	1,120.24	93.43	25.73	-	119.16	1,001.08	1,026.81
Equipments	2,356.79	211.17	44.44	2,523.52	1,173.44	239.39	36.24	1,376.59	1,146.93	1,183.35
Furniture and fixtures	258.18	24.10	1.02	281.26	172.57	65.90	0.74	237.73	43.53	85.61
Total of Property, plant and equipment (A)	**80,150.93**	**1,942.02**	**1,145.81**	**80,947.14**	**12,947.68**	**3,055.98**	**161.77**	**15,841.89**	**65,105.25**	**67,203.25**
RIGHT-OF-USE ASSETS										
Right-of-use (leasehold properties) **(B)**	**-**	**1,730.90**	**-**	**1,730.90**	**-**	**481.14**	**-**	**481.14**	**1,249.76**	**-**
OTHER INTANGIBLE ASSETS										
Marketing rights/ Trademarks	66.38	66.70	-	133.08	52.51	22.32	-	74.83	58.25	13.87
Software	1,150.78	110.63	-	1,261.41	520.82	176.89	-	697.71	563.70	629.96
Total of Other intangible assets (C)	**1,217.16**	**177.33**	**-**	**1,394.49**	**573.33**	**199.21**	**-**	**772.54**	**621.95**	**643.83**
Total (A+B+C)	**81,368.09**	**3,850.25**	**1,145.81**	**84,072.53**	**13,521.01**	**3,736.33**	**161.77**	**17,095.57**	**66,976.96**	**67,847.08**
Capital work- in- progress									**2,385.00**	**1,238.14**

* Freehold land of ₹ 640.66 lakhs (Previous year-₹ 640.66 lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

** Building of ₹ 3,178.14 lakhs (Previous year-₹ 3,272.60 lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

The Company has not capitalised any borrowing cost during the current year (Previous year - ₹ Nil).

The Company has not recognised any impairment loss during the current year (Previous year - ₹ Nil).

No property, plant and equipment is pledged as security by the Company.

Notes to the standalone financial statements

for the year ended March 31, 2020

2 PROPERTY, PLANT AND EQUIPMENT, OTHER INTANGIBLE ASSETS, CAPITAL WORK-IN-PROGRESS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in lakhs

PARTICULARS	GROSS CARRYING VALUE				DEPRECIATION / AMORTISATION				NET CARRYING VALUE	
	As at 31st March 2018	Additions	Deletions / Adjustments	As at 31st March 2019	As at 31st March 2018	For the year	Deletions / Adjustments	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
PROPERTY, PLANT AND EQUIPMENT										
Leasehold land	333.26	-	-	333.26	23.39	7.60	-	30.99	302.27	309.87
Leasehold Improvements	385.32	-	1.37	383.95	30.84	76.21	0.59	106.46	277.49	354.48
Freehold land * $	41,544.78	-	-	41,544.78	-	-	-	-	41,544.78	41,544.78
Buildings **	12,837.52	177.71	6.54	13,008.69	1,247.48	403.09	2.74	1,647.83	11,360.86	11,590.04
Plant and machinery	8,782.13	2,263.56	12.03	11,033.66	3,747.75	1,134.08	9.80	4,872.03	6,161.63	5,034.38
Laboratory testing machines	2,570.39	408.06	(248.14)	3,226.59	910.94	302.50	(143.26)	1,356.70	1,869.89	1,659.45
Electrical installations	1,050.04	134.24	(28.81)	1,213.09	490.51	125.00	(20.42)	635.93	577.16	559.53
Furniture, fixtures and fittings	2,143.98	208.00	(3.62)	2,355.60	862.81	230.85	(2.40)	1,096.06	1,259.54	1,281.17
Office equipments	2,014.26	399.37	(0.56)	2,414.19	1,118.82	387.72	(0.65)	1,507.19	907.00	895.44
Vehicles	326.22	126.60	-	452.82	195.86	59.19	-	255.05	197.77	130.36
R & D Assets										
Freehold land	449.09	-	-	449.09	-	-	-	-	449.09	449.09
Buildings	1,120.24	-	-	1,120.24	66.07	27.36	-	93.43	1,026.81	1,054.17
Equipments	2,535.09	115.99	294.29	2,356.79	1,028.49	312.82	167.87	1,173.44	1,183.35	1,506.60
Furniture and fixtures	222.04	80.09	43.95	258.18	128.94	75.52	31.89	172.57	85.61	93.10
Total of Property, plant and equipment (A)	**76,314.36**	**3,913.62**	**77.05**	**80,150.93**	**9,851.90**	**3,141.94**	**46.16**	**12,947.68**	**67,203.25**	**66,462.46**
OTHER INTANGIBLE ASSETS										
Marketing rights/ Trademarks	59.39	6.99	-	66.38	49.99	2.52	-	52.51	13.87	9.40
Software	854.84	295.94	-	1,150.78	351.51	169.31	-	520.82	629.96	503.33
Total of Other intangible assets (B)	**914.23**	**302.93**	**-**	**1,217.16**	**401.50**	**171.83**	**-**	**573.33**	**643.83**	**512.73**
Total (A+B)	**77,228.59**	**4,216.55**	**77.05**	**81,368.09**	**10,253.40**	**3,313.77**	**46.16**	**13,521.01**	**67,847.08**	**66,975.19**
Capital work- in- progress									**1,238.14**	**988.54**
Intangible assets under development									**-**	**295.94**

* Freehold land of ₹ 640.66 lakhs (Previous year-₹ 640.66 lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

** Building of ₹ 3,272.60 lakhs (Previous year-₹ 3,272.60 lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

$ Freehold land includes land acquired on Amalgamation with a carrying value of ₹ 817.49 lakhs for which the Company is in the process of registering the title deeds in its name.

The Company has not capitalised any borrowing cost during the current year (Previous year - ₹ Nil).

The Company has not recognised any impairment loss during the current year (Previous year - ₹ Nil).

No property, plant and equipment is pledged as security by the Company.

Notes to the standalone financial statements
for the year ended March 31, 2020

3 INVESTMENTS

₹ in lakhs

Particulars	Non-current As at 31st March 2020	Non-current As at 31st March 2019
UNQUOTED		
Investments stated at cost		
Investments in fully paid-up equity instruments in subsidiaries		
374,085 (Previous year - 374,085) Equity shares of FDC International, UK of GBP 0.01 each (₹ 75.24)	0.00	0.00
500 (Previous year - 500) Equity shares of FDC Inc., of USD 100 each	22.00	22.00
	22.00	**22.00**
Investments in fully paid-up equity instruments in joint venture entity		
159,250 (Previous year - 159,250) Equity shares of Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd., of ZAR 1 each	11.30	11.30
Less: Provision for impairment in the value of investments	(11.30)	(11.30)
	-	**-**
Investments measured at amortised cost		
Investment in government securities (Refer note below)		
National Savings Certificates	0.07	0.07
35 (Previous year - 35) Govt. of India G.P. Notes - face value of ₹ 2,000	0.02	0.02
	0.09	**0.09**
Investments designated at fair value through other comprehensive income		
Investments in fully paid-up equity instruments	**0.63**	**0.63**
(A)	**22.72**	**22.72**
Investments mandatorily measured at fair value through profit or loss		
Investments in units of mutual funds	6,921.38	10,120.83
Investments in fully paid up non convertible debentures	403.40	-
(B)	**7,324.78**	**10,120.83**
Sub Total (C) = (A+B)	**7,347.50**	**10,143.55**
QUOTED		
Investments measured at amortised cost		
Investments in fully paid up bonds	10,333.33	7,634.46
Less: Provision for impairment in the value of investments	(1,500.00)	-
(D)	**8,833.33**	**7,634.46**
Investments designated at fair value through other comprehensive income		
Investments in fully paid-up equity instruments	72.64	154.68
(E)	**72.64**	**154.68**
Sub Total (F) = (D+E)	**8,905.97**	**7,789.14**
Total = (C+F)	**16,253.47**	**17,932.69**
Aggregate book value of quoted investment	8,905.97	7,789.14
Aggregate market value of quoted investments	8,905.97	7,789.14
Aggregate value of unquoted investments	7,347.50	10,143.55
Aggregate amount of impairment in value of investments	1,511.30	11.30

Note: National Savings Certificates of the value of ₹ 0.04 lakhs (Previous year - ₹ 0.04 lakhs) and Government of India G.P.notes of the value of ₹ 0.02 lakhs (Previous year- ₹ 0.02 lakhs) have been lodged with the Excise authorities. National Savings Certificates of ₹ 0.03 lakhs (Previous year - Rs. 0.03 lakhs) have been lodged with Sales Tax authorities.

Notes to the standalone financial statements

for the year ended March 31, 2020

List of significant investments in subsidiaries and joint venture

₹ in lakhs

	% of equity interest	
	As at 31st March 2020	**As at 31st March 2019**
Name and Country of Incorporation		
a. Subsidiaries		
FDC International Ltd., UK	100%	100%
FDC Inc., USA	100%	100%
b. Joint Venture		
Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd., South Africa	49%	49%

4 LOANS*

₹ in lakhs

	Non-current	
	As at 31st March 2020	**As at 31st March 2019**
Unsecured, considered good		
Loans to employees	17.99	10.20
Security deposits	594.72	570.02
	612.71	**580.22**

* There is no amount due from director, other officers of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.

5 OTHER FINANCIAL ASSETS

₹ in lakhs

	Non-current	
	As at 31st March 2020	**As at 31st March 2019**
Unsecured, considered good		
Margin money deposits	2.25	3.17
	2.25	**3.17**

6 INCOME TAX ASSETS (NET)

₹ in lakhs

	As at 31st March 2020	**As at 31st March 2019**
Income tax paid [Net of provision - ₹29,545.46 lakhs (Previous year - ₹ 21,357.47 lakhs)]	1,582.93	1,485.26
	1,582.93	**1,485.26**

Notes to the standalone financial statements

for the year ended March 31, 2020

7 OTHER NON-CURRENT ASSETS

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Unsecured, considered good		
Capital advances	341.97	484.91
Prepaid expenses	73.20	67.69
	415.17	**552.60**

8 INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Raw materials [Including stock in transit ₹ 110.60 lakhs (Previous year - ₹ Nil)]	8,133.92	4,119.14
Packing materials [Including stock in transit ₹ 32.54 lakhs (Previous year - ₹ Nil)]	1,810.91	1,688.79
Work-in-progress	1,652.44	2,169.30
Finished goods [Including stock in transit ₹ 421.71 lakhs (Previous year - ₹ 872.21 lakhs)]	7,778.76	7,966.28
Stock in trade [Including stock in transit ₹ Nil (Previous year - ₹ Nil)]	1,573.27	1,329.89
	20,949.30	**17,273.40**

During the year ended 31st March 2020, ₹ 600.12 lakhs (Previous year - ₹722.89 lakhs) was charged to the statement of profit and loss on account of damaged and slow moving inventories.

9 INVESTMENTS

₹ in lakhs

	Current	
	As at 31st March 2020	As at 31st March 2019
UNQUOTED		
Investments mandatorily measured at fair value through profit or loss		
Investments in mutual funds	50,224.12	40,192.57
Investments in fully paid up non-convertible debentures	-	400.20
	50,224.12	**40,592.77**
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate value of unquoted investments	50,224.12	40,592.77
Aggregate amount of impairment in value of investments	-	-

Notes to the standalone financial statements

for the year ended March 31, 2020

10 TRADE RECEIVABLES

₹ in lakhs

		As at 31st March 2020	As at 31st March 2019
Unsecured, considered good		12,419.46	8,352.07
Credit impaired		111.86	122.41
	(A)	**12,531.32**	**8,474.48**
Less : Allowance for credit loss	**(B)**	**111.86**	**122.41**
	(A-B)	**12,419.46**	**8,352.07**

Movement in expected credit loss allowance

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	122.41	107.08
Less: Amount collected and hence reversal of provision	15.98	0.68
Less: Balance written off during the year	-	-
Add: Provision made during the year	5.43	16.01
Balance at the end of the year	**111.86**	**122.41**

Note: There are no trade or other receivables which are due from directors or other officers of the company either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.

For terms and conditions relating to related party receivables, refer note 46

Trade receivables are non-interest bearing and are generally on terms of 8 to 120 days.

11 CASH AND CASH EQUIVALENTS

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Cash on hand	11.85	8.64
Balances with banks:		
In current accounts	2,562.63	1,061.34
In deposit accounts (with original maturity of 3 months or less)	77.42	366.28
	2,651.90	**1,436.26**

12 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Margin money deposits*	28.57	25.69
In unpaid dividend account	215.41	108.23
	243.98	**133.92**

*Margin money deposits are given as security against bank guarantee with original maturity of more than 3 months but less than 12 months.

Notes to the standalone financial statements

for the year ended March 31, 2020

13 LOANS

₹ in lakhs

		Current	
		As at 31st March 2020	As at 31st March 2019
Unsecured, considered good			
Loans/ advances to employees		23.86	34.99
Security deposits		93.04	37.62
Loans to related parties (Refer note 46)		-	-
Credit impaired			
Loans to related parties (Refer note 46)		365.32	317.00
	(A)	**482.22**	**389.61**
Less: Impairment of loan to related parties	**(B)**	**365.32**	**317.00**
	(A-B)	**116.90**	**72.61**

14 OTHER FINANCIAL ASSETS

₹ in lakhs

		Current	
		As at 31st March 2020	As at 31st March 2019
Unsecured, considered good			
Receivable towards mutual funds units redemptions		1,545.77	-
Export benefit receivable		357.71	358.34
Interest accrued on investments and others		21.46	164.50
Credit impaired			
Interest accrued on loan to related parties (Refer note 46)		73.33	50.39
	(A)	**1,998.27**	**573.23**
Less: Impairment of interest accrued on loan to related parties	**(B)**	**73.33**	**50.39**
	(A-B)	**1,924.94**	**522.84**

15 OTHER CURRENT ASSETS

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Unsecured, considered good		
Advances to suppliers	963.13	649.69
Prepaid expenses	711.03	578.52
Balances with statutory/government authorities	2,125.69	3,295.74
Reimbursement of expenses receivable from FDC SA(Pty) Ltd. (Refer note 46)	-	-
Credit impaired		
Reimbursement of expenses receivable from FDC SA(Pty) Ltd. (Refer note 46)	18.42	18.42
Balances with statutory/government authorities	25.69	25.69
	3,843.96	**4,568.06**
Less: Impairment of expenses receivable from FDC SA(Pty) Ltd.	18.42	18.42
Less: Allowance for doubtful advances	25.69	25.69
	3,799.85	**4,523.95**

Notes to the standalone financial statements

for the year ended March 31, 2020

Break up of financial assets carried at amortised cost

₹ in lakhs

	Non-current		Current	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Investments (Refer note 3)	8,833.42	7,634.55	-	-
(Excluding investments in subsidiaries and joint venture)				
Loans (Refer note 4 and note 13)	612.71	580.22	116.90	72.61
Trade receivable (Refer note 10)	-	-	12,419.46	8,352.07
Cash and cash equivalent (Refer Note 11)	-	-	2,651.90	1,436.26
Bank balance other than cash and cash equivalents (Refer Note 12)	-	-	243.98	133.92
Other financial assets (Refer note 5 and 14)	2.25	3.17	1,924.94	522.84
Total financial assets carried at amortised cost	**9,448.38**	**8,217.94**	**17,357.18**	**10,517.70**

16 SHARE CAPITAL

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Authorised share capital		
294,200,000 (Previous year - 294,200,000) Equity shares of Re.1 each	2,942.00	2,942.00
3,000 (Previous year - 3,000) 8% Non-Cumulative Redeemable Preference shares of ₹ 100 each	3.00	3.00
	2,945.00	**2,945.00**
Issued share capital		
170,973,084 (Previous year - 177,548,084) Equity shares of Re. 1 each, fully paid-up	1,709.73	1,775.48
	1,709.73	**1,775.48**
Subscribed and Paid-up share capital		
170,973,084 (Previous year - 174,403,084) Equity shares of Re. 1 each, fully paid-up	1,709.73	1,744.03
Add: 3,145,000 (Previous year - 3,145,000) Equity shares forfeited	7.86	7.86
Less: 3,145,000 (Previous year - Nil) Equity shares forfeited Cancellation	(7.86)	-
Total	**1,709.73**	**1,751.89**

Notes:

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

	As at 31st March 2020		As at 31st March 2019	
	No. in lakhs	₹ in lakhs	No. in lakhs	₹ in lakhs
At the beginning of the period	1,744.03	1,744.03	1,744.03	1,744.03
Less: Share capital bought back	34.30	34.30	-	-
Outstanding at the end of the period	**1,709.73**	**1,709.73**	**1,744.03**	**1,744.03**

(b) Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of Re.1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Notes to the standalone financial statements

for the year ended March 31, 2020

During the year ended 31st March 2020, the amount of per share interim dividend paid as distribution to equity shareholders is ₹ 0.80 (Previous year - ₹ Nil).

The Company had cancelled 31,45,000 forfeited equity shares of ₹0.25/- each containing total amount of ₹ 7.86 lakhs of forfeited equity shares and the same was by approved by shareholders in the annual general meeting held on September 27, 2019 by way of ordinary resolution. The forfeited capital amount has been transferred to Capital reserve as per the applicable provisions of Companies Act, 2013.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	As at 31st March 2020	As at 31st March 2019
	No. in lakhs	No. in lakhs
Equity shares bought back by the Company	68.60	34.30

The Board of Directors, at its meeting held on May 24, 2019 had approved a proposal of the Company to buy-back its 34,30,000 fully paid–up equity shares of face value of Re. 1 each from the eligible equity shareholders of the company who have validly tendered their shares. The buy-back was offered to all eligible equity shareholders of the Company on proportionate basis through the "Tender offer" route in accordance with SEBI (Buy-back of Securities) Regulations, 2018. The Buyback of equity shares through the stock exchange commenced on June 07, 2019 and was completed on July 23, 2019 and the Company bought back and extinguished a total of 34,30,000 equity shares at a price of ₹ 350 per equity share, comprising of 1.97% of pre-buyback paid up equity share capital of the Company. The buyback resulted in a cash outflow of ₹ 12,005.00 lakhs (excluding transaction cost). The Company funded the Buyback from its General reserve. In accordance with Section 69 of the Companies Act, 2013, as at results approved for the half year ended September 30, 2019, the Company has credited 'Capital Redemption Reserve' with an amount of ₹ 34.30 lakhs, being amount equivalent to the nominal value of the Equity Shares bought back as an appropriation from General Reserve.

(d) Details of shareholders holding more than 5% shares in the Company

	As at 31st March 2020		As at 31st March 2019	
	No.of Shares	%	No.of Shares	%
Equity shares of Re.1 each fully paid				
Meera Ramdas Chandavarkar	33,043,676	19.33	33,624,370	19.28
Sandhya Mohan Chandavarkar Trust	18,702,799	10.94	19,031,473	10.91
Mohan Anand Chandavarkar Trust	18,378,643	10.75	18,701,621	10.72
Leo Advisors Private Limited	15,589,673	9.12	15,863,730	9.10
Virgo Advisors Private Limited	10,393,272	6.08	10,575,918	6.06
Ameya Ashok Chandavarkar	10,358,940	6.06	10,540,983	6.04

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes to the standalone financial statements

for the year ended March 31, 2020

17 OTHER EQUITY

₹ in lakhs

		As at 31st March 2020	As at 31st March 2019
Capital redemption reserve			
Opening balance		34.30	34.30
Add: Transfer from General Reserve on buyback of Equity Shares		34.30	-
Closing balance	**(A)**	**68.60**	**34.30**
Capital reserve			
Opening balance		-	-
Add: Cancellation of forfeited Equity Shares		7.86	-
Closing balance	**(B)**	**7.86**	**-**
General reserve			
Opening balance		31,955.84	31,955.84
Less: Premium paid on buyback of Equity Shares		(11,970.70)	-
Less: Transfer to Capital Redemption Reserve on buyback of Equity Shares		(34.30)	-
Closing balance	**(C)**	**19,950.84**	**31,955.84**
Retained earnings			
Opening balance		109,557.38	92,442.48
Add: Profit for the year		24,677.86	17,153.63
Less: Remeasurement losses of defined benefit plans		(273.59)	(38.73)
Less: Expenses relating to buyback of Equity shares *		(107.31)	-
Less: Dividend on Equity Shares (including Dividend distribution tax)		(1,370.45)	-
Add: Excess DDT paid adjusted against oustanding demand		38.15	-
Closing balance	**(D)**	**132,522.04**	**109,557.38**
Other comprehensive income			
Opening balance		4.82	55.22
Less: Net loss on Equity Shares carried at fair value through OCI		(82.04)	(50.40)
Closing balance	**(E)**	**(77.22)**	**4.82**
	Total (A+B+C+D+E)	**152,472.12**	**141,552.34**

* Refer note 16

Nature and purpose of Reserves

(a) Capital redemption reserve

As per Companies Act, 2013, Capital redemption reserve is created when Company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.

(b) Capital reserve

As per Companies Act, 2013, Capital reserve is created when Company cancelled its own shares.

(c) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

Notes to the standalone financial statements

for the year ended March 31, 2020

(d) General reserve

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 the transfer from one component of equity to another and is not item of other comprehensive income.

(e) Retained earnings

Retained earnings are the profits/ (losses) that the Company has earned till date, less any transfer to general reserve, dividends or other distribution paid to shareholders.

(f) Other comprehensive income

The Company has elected to recognise changes in the fair value of investments in equity instruments in other comprehensive income. These changes are accumulated within the FVTOCI equity investments within equity. The balance in other comprehensive income is transferred to retained earnings on disposal of the investment.

18 BORROWINGS

₹ in lakhs

	Non-current	
	As at 31st March 2020	**As at 31st March 2019**
Deferred sales tax loans (unsecured) (Refer note below)	49.01	60.45
Less: Amount disclosed under "other financial liabilities" (Refer note 23)	14.65	11.44
	34.36	**49.01**

Note: Under various schemes of Government of Maharashtra, the Company was entitled to interest free Sales Tax deferral incentives for its units at Waluj and Sinnar. These are repayable in annual instalments over a period of 9-13 years commencing after a period of 10-12 years from the year of availment of deferred sales tax loan.

19 LEASE LIABILITIES

₹ in lakhs

	Non-current	
	As at 31st March 2020	**As at 31st March 2019**
Lease liabilities	1,458.66	-
Less: Amount disclosed under "other financial liabilities" (Refer note 23)	529.97	-
	928.69	**-**

20 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

	Non-current	
	As at 31st March 2020	**As at 31st March 2019**
Equalisation of lease rent	-	138.60
	-	**138.60**

Notes to the standalone financial statements

for the year ended March 31, 2020

21 DEFERRED TAX LIABILITIES (NET)

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Deferred tax liability		
Depreciation	**1,601.92**	**2,332.60**
Less: Deferred tax asset		
Provision for doubtful debts/advances	34.62	51.75
Provision for Impairment of receivables from FDC SA (Pty) Ltd.	117.88	138.76
Liabilities disallowed under section 43B of IT Act,1961	528.79	780.60
Expenses debited in statement of profit and loss but allowed for tax purpose in the following year	-	28.99
	681.29	**1,000.10**
Net deferred tax liability	**920.63**	**1,332.50**

22 TRADE PAYABLES

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Total outstanding dues of micro and small enterprises	1,810.68	1,188.21
Total outstanding dues of creditors other than micro and small enterprises	9,943.72	6,531.65
	11,754.40	**7,719.86**

Note :

(A) Disclosure under the Micro, Small and Medium enterprises Development Act, 2006 is provided as under for the year 2019-20, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act :

₹ in lakhs

		As at 31st March 2020	As at 31st March 2019
(a)	The principal amount remaining unpaid to any supplier due at end of each accounting year	111.04	39.17
(b)	The interest due on the amount remaining unpaid to any supplier at end of each accounting year	4.74	1.09
(c)	The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(d)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(e)	The amount of interest accrued and remaining unpaid at the end of the year	4.74	1.09
(f)	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.	-	-

The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of its suppliers.

Notes to the standalone financial statements

for the year ended March 31, 2020

(B) Terms and conditions of the creditors other than Micro and small enterprises:

Trade Payables are non interest bearing and are normally settled on 30-360 days terms.

23 OTHER FINANCIAL LIABILITIES

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Other financial liabilities carried at amortised cost		
Current maturities of long-term borrowings (Refer note 18)	14.65	11.44
Current maturities of finance lease obligation (Refer note 19)	529.97	-
Unpaid dividend (Refer note below)	215.41	108.23
Sundry deposits	1,238.42	1,149.92
Employee benefit payable	3,962.51	3,219.82
Due to directors	716.41	416.57
Equalisation of lease rent	-	13.50
Book Overdraft	-	12.49
Others payables (includes disputed liabilities, trade advances, etc.)	657.98	588.54
	7,335.35	**5,520.51**

Note:- There are no amounts due and outstanding to be credited to Investor Education and Protection Fund. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection fund.

24 OTHER CURRENT LIABILITIES

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Advance from customers	269.79	201.77
Statutory dues payable	348.15	366.22
	617.94	**567.99**

25 PROVISIONS

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
For employee benefits (Refer note 44)	1,713.27	1,010.01
For others	1,710.58	1,504.25
	3,423.85	**2,514.26**

₹ in lakhs

	Gratuity benefits	Compensated absences	Sales returns	Total
Balance as on 1st April 2019	(91.27)	1,101.28	1,504.25	2,514.26
Provision made during the year	202.01	370.01	2,266.38	2,838.40
Remeasurement losses of defined benefit plans	365.60	-	-	365.60
Provision utilised during the year	(3.68)	(230.68)	(2,060.05)	(2,294.41)
Balance as on 31st March 2020	**472.66**	**1,240.61**	**1,710.58**	**3,423.85**
Current	**472.66**	**1,240.61**	**1,678.18**	**3,391.45**
Non-current	**-**	**-**	**32.40**	**32.40**

Notes to the standalone financial statements

for the year ended March 31, 2020

₹ in lakhs

	Gratuity benefits	Compensated absences	Sales returns	Total
Balance as on 1st April 2018	325.13	977.81	1,490.00	2,792.94
Provision made during the year	214.07	369.53	1,558.47	2,142.07
Remeasurement losses of defined benefit plans	59.53	-	-	59.53
Provision utilised during the year	(690.00)	(246.06)	(1,544.22)	(2,480.28)
Balance as on 31st March 2019	**(91.27)**	**1,101.28**	**1,504.25**	**2,514.26**
Current	**(91.27)**	**1,101.28**	**1,465.25**	**2,475.26**
Non-current	**-**	**-**	**39.00**	**39.00**

26 CURRENT TAX LIABILITIES (NET)

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Tax payable [Net of Income tax paid - ₹ 31,775.70 lakhs and (Previous year ₹ 31,737.56 lakhs)]	1,361.87	1,400.02
	1,361.87	**1,400.02**

Income tax expense recognised in Statement of Profit and Loss

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Current tax		
Current tax on profits for the year	8,280.00	6,660.00
Deferred tax	(411.87)	(183.73)
	7,868.13	**6,476.27**

Income tax expense recognised in other comprehensive income

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Tax on remeasurement losses of defined benefit plans	92.01	20.80
	92.01	**20.80**

Income tax expense reconciliation

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Profit before tax	32,545.99	23,629.90
Applicable tax rate	25.168%	34.944%
Tax as per applicable tax rate	8,191.17	8,257.23
Tax on income not considered for tax purpose	708.72	(584.49)
Tax effect on exempt income	(850.94)	(475.78)
Tax incentives	(108.49)	(623.79)
Tax on additional allowances for capital loss/ (gain)	296.49	(120.82)
Tax impact of change in rates on opening deferred tax liabilities	(372.78)	-
Others (net)	3.96	23.92
Income tax expense charged to the Statement of Profit and Loss	**7,868.13**	**6,476.27**

Notes to the standalone financial statements

for the year ended March 31, 2020

Deferred tax income recognised in Statement of Profit and Loss

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Increase/ (decrease) in Deferred tax liability		
Depreciation	(730.68)	(29.77)
	(730.68)	**(29.77)**
Less: Increase/ (decrease) in Deferred tax asset		
Provision for doubtful debts/ advances	(17.13)	5.36
Provision for Impairment of receivables from FDC SA (Pty) Ltd.	(20.88)	138.76
Liabilities disallowed under Section 43B of the IT Act, 1961	(251.81)	134.67
Expenses debited in statement of profit and loss but allowed for tax purpose in the following year	(28.99)	(124.83)
	(318.81)	**153.96**
Net deferred tax income recognised in Statement of Profit and Loss	**(411.87)**	**(183.73)**

Break up of financial liabilities carried at amortised cost

₹ in lakhs

	Non-current		Current	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Borrowings (Refer note 18 and note 23)	34.36	49.01	14.65	11.44
Lease liabilities (Refer note 19 and note 23)	928.69	-	529.97	-
Trade payables (Refer note 22)	-	-	11,754.40	7,719.86
Other financial liabilities (Refer note 20 and note 23)	-	138.60	6,790.73	5,509.07
Total financial liabilities carried at amortised cost	**963.05**	**187.61**	**19,089.75**	**13,240.37**

27 REVENUE FROM OPERATIONS

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Sale of products (Refer note 47)	132,264.48	106,768.26
Other operating revenue (Refer note 47)	844.82	819.14
	133,109.30	**107,587.40**
Other operating revenue		
Export incentive	677.20	580.71
Other miscellaneous receipts	167.62	238.43
	844.82	**819.14**

Notes to the standalone financial statements

for the year ended March 31, 2020

28 OTHER INCOME

₹ in lakhs

		For the year ended 31st March 2020	For the year ended 31st March 2019
a)	**Interest income on financial asset carried at amortised cost**		
	Current investments	41.44	17.73
	Non-current investments	632.36	307.12
	Others (Refer note below)	93.91	219.39
b)	**Dividend Income on**		
	Current investments	3,271.52	1,248.43
	Non-current investments	1,356.55	1,104.47
c)	**Others**		
	Net gain on sale of investments	-	345.74
	Fair value gain on financial instruments at fair value through profit or loss	-	1,672.64
	Net exchange gain on foreign currency transactions	659.63	267.17
	Net gain on disposal of property, plant and equipment	1,767.13	21.44
	Other non operating income (Includes rental income, miscellaneous provisions written back)	443.21	275.85
		8,265.75	**5,479.98**

Note: Interest on others includes interest on inter corporate deposits, fixed deposits, interest on income tax refunds, interest on delayed payments from debtors etc.

29 COST OF MATERIALS CONSUMED

(Raw materials and Packing materials)

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Inventory at the beginning of the year	5,807.93	6,692.60
Add: Purchases	37,974.82	29,112.69
	43,782.75	**35,805.29**
Less: Inventory at the end of the year	9,944.83	5,807.93
	33,837.92	**29,997.36**

Notes to the standalone financial statements

for the year ended March 31, 2020

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

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Inventory at the end of the year		
Finished goods	7,778.76	7,966.28
Stock in trade	1,573.27	1,329.89
Work-in-progress	1,652.44	2,169.30
	11,004.47	**11,465.47**
Inventory at the beginning of the year		
Finished goods	7,966.28	6,172.41
Stock in trade	1,329.89	1,218.98
Work-in-progress	2,169.30	1,881.42
	11,465.47	**9,272.81**
	461.00	**(2,192.66)**
Changes in Inventories		
Finished goods	187.52	(1,793.87)
Stock in trade	(243.38)	(110.91)
Work-in-progress	516.86	(287.88)
	461.00	**(2,192.66)**

31 EMPLOYEE BENEFITS EXPENSE

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Salaries, wages and bonus (Refer note 44)	25,066.08	20,409.42
Contribution to provident and other funds (Refer note 43 and 44)	1,723.77	1,515.67
Staff welfare expenses	828.51	694.25
	27,618.36	**22,619.34**

32 FINANCE COSTS

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest expense	301.70	107.58
Bank charges	39.79	35.61
	341.49	**143.19**

33 DEPRECIATION AND AMORTISATION EXPENSE

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Depreciation on property, plant and equipment and right-of-use assets	3,537.12	3,141.94
Amortisation of intangible assets	199.21	171.83
	3,736.33	**3,313.77**

Notes to the standalone financial statements

for the year ended March 31, 2020

34 OTHER EXPENSES

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Processing charges	1,378.75	1,292.12
Power, fuel and water charges	2,737.88	2,459.60
Repairs and maintenance		
Building	384.96	663.93
Plant and Machinery	688.38	711.92
Others	1,039.67	1,072.35
Labour contract expenses	1,512.57	1,253.08
Stores and spares	1,104.82	1,225.42
Pharma miscellaneous expenses	2,212.22	1,880.96
Rent (including lease rent) (Refer note 48)	1.51	543.72
Rates and taxes	96.47	80.82
Insurance	252.23	200.19
Travelling and conveyance	4,158.25	4,279.19
Communication expenses	255.47	231.99
Carriage, freight and forwarding	2,740.66	2,404.97
Advertisement and sales promotion	1,535.24	1,654.68
Publicity expenses	4,144.74	2,961.14
Sales tax/ Value added tax/ GST paid	275.18	177.46
Commission	774.48	696.12
Auditors' remuneration		
As audit fee	40.00	34.00
For other services	9.17	7.03
Out of pocket expenses	4.31	2.62
Legal and Professional Charges	894.97	470.30
Directors sitting fees	5.20	5.70
Allowances for credit loss	5.43	16.01
Provision for financial instruments	1,500.00	-
Provision for FDC SA (Refer note 46)	71.26	-
Donation	25.51	21.43
CSR expenditure (Refer note 50)	537.49	207.17
Loss on sale of investments (net)	1,178.04	-
Fair value loss on financial instruments	1,315.95	-
Miscellaneous expenses	3,798.78	3,961.26
	34,679.59	**28,515.18**

35 EARNING PER SHARE (EPS)

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Profit for the year (₹ in lakhs)	24,677.86	17,153.63
Weighted average number of shares	172,044,372	174,403,084
Nominal value per share (₹)	1.00	1.00
Earning per share - Basic (₹)	14.34	9.84
- Diluted (₹)	14.34	9.84

Notes to the standalone financial statements

for the year ended March 31, 2020

36 COMPONENTS OF OTHER COMPREHENSIVE INCOME

During the year ended 31st March 2020

₹ in lakhs

	Retained Earnings	FVTOCI reserve	Total
Remeasurement losses of defined benefit plans	(365.60)	-	(365.60)
Tax on remeasurement losses of defined benefit plans	92.01	-	92.01
Loss on FVTOCI financial assets (net)	-	(82.04)	(82.04)
	(273.59)	**(82.04)**	**(355.63)**

During the year ended 31st March 2019

₹ in lakhs

	Retained Earnings	FVTOCI reserve	Total
Remeasurement losses of defined benefit plans	(59.53)	-	(59.53)
Tax on remeasurement losses of defined benefit plans	20.80	-	20.80
Loss on FVTOCI financial assets (net)	-	(50.40)	(50.40)
	(38.73)	**(50.40)**	**(89.13)**

37 DIVIDEND DISTRIBUTION PAID

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
The following dividends on Equity shares were declared and paid by the Company during the year:		
Interim dividend for the year ended 31st March 2020 - 0.80 per equity share (Previous year- Nil per equity share)	1,367.78	-
Tax on interim dividend	2.67	-
	1,370.45	**-**

38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES :

Risk Management is an integral part of the Company's plans and operations. While the Company has a proven ability to successfully take on challenges, the efforts are to become even more proactive in recognising and managing risks, through an organized framework. The Company recognises risk management as an integral component of good corporate governance and fundamental in achieving it's strategic and operational objectives.

The Company, through its Board of Directors, has constituted a Risk Management Committee, consisting of majority of Board members. The Board has defined the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the Risk Management plan, to the Committee, and such other functions as it may deem fit.

Market Risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include deposits, FVTOCI investments and FVTPL investments.

The Company has designed risk management framework to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

Notes to the standalone financial statements

for the year ended March 31, 2020

Interest rate risk :

Interest rate risk is the loss of fair value of future earnings of financial instruments because of changes in market interest rates. Investment committee manages and constantly reviews the interest rate movements in the market in order to optimise the company's interest income. The Company does not have any exposure to any interest bearing debt instruments.

Foreign Currency Risk :

Foreign currency risk is the loss of fair value of future earnings of financial instruments because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

Foreign currency sensitivity

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

	Change in USD rate	Effect on profit before tax (₹ in lakhs)	Effect on Equity (₹ in lakhs)
31st March 2020	**+1%**	**57.78**	**43.24**
	-1%	**(57.78)**	**(43.24)**
31st March 2019	+1%	36.58	23.92
	-1%	(36.58)	(23.92)

Credit Risk :

Credit risk is the risk of possible default by the counter party resulting in a financial loss. The Company manages its credit risk through various internal policies and procedure set forth for effective control over credit exposure. Major credit risk at the reporting date is from trade receivables. Trade receivables are managed by way of setting various parameters like credit limit, evaluation of financial condition before supply, supply terms, industry trends, ageing analysis.

Liquidity Risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities.

39 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Liquidity Risk:

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

₹ in lakhs

	As at 31st March 2020			As at 31st March 2019		
	Less than 1 year	More than 1 year	Total	No.of Shares	More than 1 year	Total
Trade payables	11,754.40	-	11,754.40	7,719.86	-	7,719.86
Borrowings	14.65	34.36	49.01	11.44	49.01	60.45
Lease Liabilities	529.97	928.69	1,458.66	-	-	-
Other Financial Liabilities	6,790.73	-	6,790.73	5,509.07	138.60	5,647.67

Notes to the standalone financial statements

for the year ended March 31, 2020

40 FINANCIAL INSTRUMENTS

Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

The carrying value and fair value of financial instruments by categories as at Balance sheet date were as follows:

₹ in lakhs

	Carrying Value		Fair Value	
	As at 31st March 2020	**As at 31st March 2019**	**As at 31st March 2020**	**As at 31st March 2019**
Financial assets:				
FVTOCI financial investments	73.27	155.31	73.27	155.31
FVTPL financial investments	57,548.90	50,713.60	57,548.90	50,713.60
Total	**57,622.17**	**50,868.91**	**57,622.17**	**50,868.91**

The management assessed that cash and cash equivalents, trade receivables, loans, trade payables, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of quoted equity instruments are derived from quoted market prices in active markets.

Reconciliation of fair value measurement of equity shares classified as FVTOCI assets:

	Total ₹ in lakhs
As at 1st April 2018	55.22
Re-Measurement recognised in OCI	(50.40)
As at 31st March 2019	4.82
Re-Measurement recognised in OCI	(82.04)
As at 31st March 2020	**(77.22)**

Fair Value hierarchy

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

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly unobservable.

Notes to the standalone financial statements

for the year ended March 31, 2020

The following table represents the fair value hierarchy of Financial assets measured at fair value as on 31st March 2020 :

₹ in lakhs

Financial assets	As at 31st March 2020	Fair Value measurement at end of reporting period		
		Level 1	Level 2	Level 3
Investments				
Mutual Funds	57,145.50	57,145.50	-	-
Non-Convertible debentures	403.40	-	403.40	-
Quoted equity Instruments	72.64	72.64	-	-
Unquoted equity Instruments	0.63	-	-	0.63
Total	**57,622.17**	**57,218.14**	**403.40**	**0.63**

The following table represents the fair value hierarchy of Financial assets measured at fair value as on 31st March 2019 :

₹ in lakhs

Financial assets	As at 31st March 2019	Fair Value measurement at end of reporting period		
		Level 1	Level 2	Level 3
Investments				
Mutual Funds	50,313.40	50,313.40	-	-
Non-Convertible debentures	400.20	-	400.20	-
Quoted equity Instruments	154.68	154.68	-	-
Unquoted equity Instruments	0.63	-	-	0.63
Total	**50,868.91**	**50,468.08**	**400.20**	**0.63**

There have been no transfers between Level 1 and Level 2 during the period.

41 CAPITAL MANAGEMENT

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31st March 2020 and 31st March 2019.

The Company maintains a strong capital base and the primary objective of Company's capital management is to maximise the shareholder value.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents. Based on this, Company is a debt free Company and would like to remain debt free.

The Company does not have any interest bearing loans and borrowings in the current year as well as previous year.

Notes to the standalone financial statements

for the year ended March 31, 2020

42. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):

₹ in lakhs

		As at 31st March 2020	As at 31st March 2019
Contingent Liabilities			
a.	Disputed tax matters		
	Income tax (Appealed by the Company)	1,573.19	926.81
	GST (Appealed by the Company)	4.49	-
	Excise duty (Appealed by the Company)	-	140.21
	Sales Tax (Appealed by the Company)	117.90	120.46
b.	In respect of guarantees given by banks	534.93	348.48
c.	Letter of credit issued by bankers	254.02	67.64
d.	Estimated amount of duty payable on export obligation against oustanding advance licences	62.26	31.59
e.	During the year 2013-14, the Company had received notices of demand (including interest) from the National Pharmaceutical Pricing Authority, Government of India, on account of alleged overcharging in respect of certain formulations under the Drugs (Prices Control) Order, 1995. The Company had filed writ petition before the Hon'ble Supreme Court of India for stay of demand and other matters. The Hon'ble Supreme Court then passed order restraining the Government from taking any coercive action against the Company. The said Writ petition was disposed of in July 2016, with a liberty to the Writ Petitioners to approach the appropriate High Courts for relief, challenging the impugned demand notice issued by Union of India. The Company has filed a writ petition with Delhi High Court in August 2016 for which the Company has deposited 50% of overcharged amount with NPPA. The Company has also simultaneously filed a revision petition with NPPA, hence no provision is considered necessary in respect of the amount majorly being the interest component.	575.02	559.29
Commitments			
Estimated amount of capital contracts remaining to be executed and not provided for (net of advances paid)		1,156.36	894.59

Note:

The Company's pending litigations comprise of proceedings pending with Income Tax, Excise, Sales Tax Authorities, GST authorities and National Pharmaceutical Pricing Authority of India. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statement. In respect of litigations, where the management assessment of a financial outflow is probable, the Company has made a provision of ₹ 2,250.00 lakhs as at 31st March 2020 (Previous year - ₹ 2,250.00 lakhs).

43 CONTRIBUTION TO PROVIDENT FUND AS PER SUPREME COURT JUDGMENT

The proposed Social Security Code, 2019, when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act and amend the definition of wages on which the organisation and its employees are to contribute towards Provident Fund. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the proposed amendments. Additionally, there is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Hon. Supreme Court vide its ruling in February 2019, in relation to the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. The Company will evaluate its position and act, as clarity emerges.

Notes to the standalone financial statements

for the year ended March 31, 2020

44 DISCLOSURE OF EMPLOYEE BENEFITS:

As per Ind AS 19 -"Employee Benefits", the disclosures as required by the Accounting Standard are given below :

Defined Contribution Plan

Contribution to Defined Contribution Plans are recognised as an expense for the year under Contribution to provident and other funds (Refer Note 30) as under:-

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Employer's Contribution to Provident Fund	531.91	425.90
Employer's Contribution to Pension Scheme	620.03	451.17
Employer's Contribution to Superannuation Fund	74.03	67.91

Defined Benefit Plan

The employees' gratuity fund scheme managed by trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The Company irrevocably contributes funds to a separate Gratuity Trust which is recognised by Income Tax authorities.

₹ in lakhs

		Gratuity	
		Funded Plan	
		As at 31st March 2020	As at 31st March 2019
I.	**Change in Benefit Obligation**		
	Liability at the beginning of the year	2,173.29	1,914.93
	Interest Cost	151.26	137.49
	Current Service Cost	208.36	190.73
	Past Service Cost	-	-
	Benefit Paid	(238.09)	(159.54)
	Actuarial (gain)/ loss arising from changes in demographic assumpations	-	(24.95)
	Actuarial (gain)/ loss arising from changes in financial assumptions	155.87	112.55
	Actuarial (gain)/ loss arising from changes in experience adjustments	225.58	2.08
	Liability at the end of the year	**2,676.27**	**2,173.29**
II.	**Fair Value of Plan Assets**		
	Fair Value of Plan Assets at the beginning of the year	2,264.56	1,589.80
	Interest income	157.61	114.15
	Contributions	3.68	690.00
	Benefit Paid	(238.09)	(159.54)
	Return on plan assets, Excluding interest income	15.85	30.15
	Fair Value of Plan Assets at the end of the year	**2,203.61**	**2,264.56**
III.	**Amount recognised in the Balance Sheet**		
	Liability at the end of the year	(2,676.27)	(2,173.29)
	Fair Value of Plan Assets at the end of the year	2,203.61	2,264.56
	Amount recognised in the Balance Sheet	**(472.66)**	**91.27**

Notes to the standalone financial statements

for the year ended March 31, 2020

₹ in lakhs

		Gratuity Funded Plan As at 31st March 2020	Gratuity Funded Plan As at 31st March 2019
IV.	**Net Interest Cost for Current Period**		
	Interest Cost	151.26	137.49
	Interest Income	(157.61)	(114.15)
	Net Interest Cost for Current Period	**(6.35)**	**23.34**
V.	**Expenses recognised in the Statement of Profit and Loss**		
	Current Service Cost	208.36	190.73
	Net Interest Cost for Current Period	(6.35)	23.34
	Past Service Cost	-	-
	Expense recognised in the Statement of Profit and Loss	**202.01**	**214.07**
VI.	**Expenses recognised in the Other Comprehensive Income (OCI)**		
	Actuarial (gain)/loss on Obligation for the period	381.45	89.68
	Return on Plan Assets, Excluding Interest Income	(15.85)	(30.15)
	Net Expense recognised in the OCI	**365.60**	**59.53**
VII.	**Investment Details**		
	Government of India Assets	112.27	112.27
	Corporate Bonds	-	15.00
	Debt Instruments	579.74	619.92
	State Government	1,257.22	1,299.30
	Equity	166.87	166.87
	Others	87.51	51.20
	Total	**2,203.61**	**2,264.56**
VIII.	**Actuarial Assumptions**		
	Discount Rate Current	5.76%	6.96%
	Rate of Return on Plan Assets Current	5.76%	6.96%
	Employee Attrition rate-Field	20 to 40%	20 to 40%
	Employee Attrition rate-others	10 to 30%	10 to 30%
	Salary Escalation Current	8.00%	8.00%
IX.	**Maturity Analysis of Projected Benefit Obligation from the Fund**		
	Projected Benefits payable in future years from the date of reporting		
	Within the next 12 months	379.05	376.34
	Between 2 and 5 years	1,229.86	1,001.00
	Sum of Years 6 To 10 years	1,099.37	960.24
	Sum of Years 11 and above	1,122.72	921.26
X.	**Sensitivity Analysis for significant assumptions**		
	Benefit obligation as at the end of the year	2,676.27	2,173.29
	Increase/(decrease) in Present Value of Benefit Obligations as at the endof the year :		
	Effect of +1% change in Rate of Discounting	(131.25)	(97.22)
	Effect of -1% change in Rate of Discounting	146.55	107.68
	Effect of +1% change in Rate of Salary Increase	134.42	99.23
	Effect of -1% change in Rate of Salary Increase	(123.68)	(92.14)
	Effect of +1% change in Rate of Employee Turnover	(22.36)	(9.01)
	Effect of -1% change in Rate of Employee Turnover	24.26	9.55

Notes to the standalone financial statements

for the year ended March 31, 2020

XI. Salary Escalation Rate

The estimates of future supply increase considered in actuarial valuation is taken on account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

XII. Basis used to determine Rate of Return on Plan Assets

The rate of return on Plan Assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

XIII. The Company expects to contribute ₹ 762.08 lakhs to gratuity in next year (Previous year - ₹ 117.09 lakhs).

The liability for Leave Encashment as at the year end is ₹ 1,109.41 lakhs (Previous year - ₹ 990.15 lakhs) and provision for sick leave as at the year end is ₹ 131.20 lakhs (Previous year – ₹111.13 lakhs).

45 SEGMENT INFORMATION:

Primary segment information

The Company is engaged in pharmaceutical business which as per Ind AS 108 - "Operating Segments" is considered the only business segment.

Secondary segment information

The Company's operating divisions are managed from India. The principal geographical areas in which the Company operates are India and others. The country-wise segmentation is not relevant as exports to individual countries are not more than 10% of enterprise revenue.

The information related to secondary segment is as under:

₹ in lakhs

Particulars		India	Others	Total
Segment Revenue	**2019-2020**	**107,185.60**	**25,923.70**	**133,109.30**
	2018-2019	90,334.14	17,253.26	107,587.40
Carrying amount of Non-Current Assets by	**31st March 2020**	**69,777.13**	**-**	**69,777.13**
location of assets	31st March 2019	69,637.82	-	69,637.82

Non Current Assets for this purpose consists of Property, plant and equipment, Right -of -use assets, Capital work-in-progress, Intangible assets and Other non current Assets.

The Company does not have any customer with whom revenue from transactions is more than 10% of Company's total revenue.

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46. RELATED PARTY DISCLOSURES, AS REQUIRED BY IND AS 24 - "RELATED PARTY DISCLOSURES" ARE GIVEN BELOW:

Names of Related parties where control exists irrespective of whether transactions have occurred or not :

Subsidiary Companies

- FDC International Limited
- FDC Inc.

Joint Venture Entity

- Fair Deal Corporation Pharmaceutical SA (Pty) Ltd.

Names of other related parties with whom transactions have taken place during the year :

Managerial Personnel

- Mr. Mohan A. Chandavarkar	Managing Director
- Mr. Ashok A. Chandavarkar	Executive Director
- Mr. Nandan M. Chandavarkar	Joint Managing Director
- Mr. Ameya A. Chandavarkar	Executive Director
- Ms. Nomita R. Chandavarkar	Executive Director
- Dr. Rahim H. Muljiani (Resigned w.e.f. 01.04.2019)	Independent Director
- Dr. Satish S. Ugrankar (Resigned w.e.f. 01.04.2019)	Independent Director
- Mr. Vinod G. Yennemadi (Resigned w.e.f. 01.04.2019)	Independent Director
- Ms. Swati S. Mayekar	Independent Director
- Mr. Uday Kumar Gurkar	Chairman and Independent Director
- Dr. Mahesh Bijlani (Appointed w.e.f. 10.05.2019)	Independent Director
- Mr. M. G. Parmeswaran (Appointed w.e.f. 10.05.2019)	Independent Director
- Ms. Usha Chandrashekhar(Appointed w.e.f. 10.05.2019)	Independent Director
- Mr. Sanjay Jain	Chief Financial Officer
- Ms. Varsharani Katre	Company Secretary

Relatives of Managerial Personnel

- Ms. Sandhya M. Chandavarkar, wife of Mr. Mohan A. Chandavarkar
- Ms. Mangala A. Chandavarkar, wife of Mr. Ashok A. Chandavarkar
- Ms. Meera R. Chandavarkar, mother of Ms. Nomita R. Chandavarkar
- Ms. Aditi C. Bhanot, daughter of Mr. Ashok A. Chandavarkar

Enterprises owned or significantly influenced by Managerial Personnel or their relatives

- Anand Chandavarkar Foundation
- Leo Advisors Private Limited
- Virgo Advisors Private Limited
- SFA Events Private Limited
- Shree Trust
- Sandhya Mohan Chandavarkar Trust
- Mohan Anand Chandavarkar Trust

Post-employment benefit plans:

- FDC Employees Gratuity Fund
- FDC Employees Superannuation Fund

Notes to the standalone financial statements

for the year ended March 31, 2020

Nature of transactions:

₹ in lakhs

		For the year ended 31st March 2020	For the year ended 31st March 2019
1	**Sale of goods**		
	FDC International Limited	655.97	1427.64
2	**Interest income**		
	Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.	22.94	16.12
3	**Dividend Income**		
	FDC International Ltd.,UK	1,354.80	1102.60
4	**Donation paid**		
	Anand Chandavarkar Foundation	25.00	20.00
5	**Corporate Social Responsibility**		
	Shree Trust	425.00	75.00
6	**Sales Promotional expenses incurred**		
	SFA Events Private Limited	19.79	22.15
7	**Managerial remuneration***		
	Mr. Mohan A. Chandavarkar	355.86	218.95
	Mr. Ashok A. Chandavarkar	196.75	148.75
	Mr. Nandan M. Chandavarkar	272.34	174.68
	Mr. Ameya A. Chandavarkar	179.91	121.16
	Ms. Nomita R. Chandavarkar	78.61	58.79
	Dr. Rahim H. Muljiani	-	3.40
	Dr. Satish S. Ugrankar	-	2.45
	Mr. Vinod G. Yennemadi	-	3.40
	Ms. Swati S. Mayekar	3.55	3.40
	Mr. Uday Kumar Gurkar	3.55	3.05
	Dr. Mahesh Bijlani	2.60	-
	Mr. M G Parmeswaran	2.75	-
	Ms. Usha Athreya Chandrasekhar	2.75	-
	Mr. Sanjay Jain	84.53	70.77
	Ms. Varsharani Katre	25.90	23.67
		1,209.10	**832.47**
8	**Loan granted**		
	Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.	48.32	86.11
9	**Dividend on Equity shares paid**		
	Mr. Nandan M. Chandavarkar	42.10	-
	Mr. Ameya A. Chandavarkar	82.87	-
	Ms. Nomita R. Chandavarkar	43.93	-
	Ms. Meera R. Chandavarkar	264.35	-
	Ms. Aditi C. Bhanot	9.28	-
	Sandhya Mohan Chandavarkar Trust	149.62	-
	Mohan Anand Chandavarkar Trust	147.03	-
	Leo Advisors Pvt Ltd	124.72	-
	Virgo Advisors Pvt Ltd	83.15	-
	Mr. Sanjay Jain	0.01	-
		947.06	**-**

Notes to the standalone financial statements

for the year ended March 31, 2020

₹ in lakhs

		For the year ended 31st March 2020	For the year ended 31st March 2019
10	**Buyback of Shares**		
	Mr. Nandan M. Chandavarkar	323.66	-
	Mr. Ameya A. Chandavarkar	637.15	-
	Ms. Nomita R. Chandavarkar	337.75	-
	Ms. Meera R. Chandavarkar	2,032.43	-
	Ms. Aditi C. Bhanot	71.32	-
	Sandhya Mohan Chandavarkar Trust	1,150.46	-
	Mohan Anand Chandavarkar Trust	1,130.42	-
	Leo Advisors Pvt Ltd	958.88	-
	Virgo Advisors Pvt Ltd	639.26	-
		7,281.33	**-**

Note: * Including perquisites, contribution to Provident fund and other funds but excludes gratuity and compensated absences as the provision is computed for the Company as a whole and separate figures are not available.

Outstanding Amount of related parties

₹ in lakhs

		As at 31st March 2020	As at 31st March 2019
1	**Outstanding balances receivable against sales included in Trade Receivables**		
	FDC International Limited	286.15	120.82
2	**Outstanding balances against loans granted included in Current portion of Financial Assets -Loans**		
	Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.*	365.32	317.00
3	**Outstanding balances against interest on loans granted included in Current portion of Other Financial assets**		
	Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.*	73.33	50.39
4	**Outstanding Reimbursement of expense receivable included in Other Current Assets**		
	Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.*	18.42	18.42
5	**Outstanding balances payable included in Other Financial Liabilitie**		
	Mr. Mohan A. Chandavarkar	217.29	116.41
	Mr. Ashok A. Chandavarkar	144.34	92.20
	Mr. Nandan M. Chandavarkar	163.34	93.07
	Mr. Ameya A. Chandavarkar	126.82	69.57
	Ms. Nomita R. Chandavarkar	54.62	35.32
	Dr. Rahim H. Muljiani	-	2.00
	Dr. Satish S. Ugrankar	-	2.00
	Mr. Vinod G. Yennemadi	-	2.00
	Ms. Swati S. Mayekar	2.00	2.00
	Mr. Uday Kumar Gurkar	2.00	2.00
	Dr. Mahesh Bijlani	2.00	-
	Mr. M G Parmeswaran	2.00	-
	Ms. Usha Athreya Chandrasekhar	2.00	-
	Mr. Sanjay Jain	3.67	3.30
	Ms. Varsharani katre	1.53	1.44
		721.61	**421.31**

Notes to the standalone financial statements

for the year ended March 31, 2020

Terms and conditions of transactions with related parties

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

* For the year ended 31st March 2020, the Company has recorded for impairment of ₹ 71.26 lakhs receivables from Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd. relating to amounts owed by related parties (Previous year - ₹ 397.11 lakhs).

47 DISLOSURE UNDER IND AS 115 - REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company is engaged into manufacturing of Pharamaceutical products. There is no impact on the Company's revenue on applying Ind AS 115 from the contract with customers.

₹ in lakhs

		For the year ended 31st March 2020	For the year ended 31st March 2019
A)	**Disaggregation of revenue from contracts with customers**		
1)	**Revenue from contracts with customers**		
	Sale of products (transferred at point in time)		
	Domestic sales		
	Formulation	106,088.69	89,346.97
	Bulk Drugs	283.22	303.14
	Sub total (a)	**106,371.91**	**89,650.11**
	Export Sales		
	Formulation	13,377.09	9,883.35
	Bulk Drugs	4,856.43	5,108.21
		18,233.52	**14,991.56**
	Profit share - Formulation	**7,659.05**	**2,126.59**
	Sub total (b)	**25,892.57**	**17,118.15**
	Total (a+b)	**132,264.48**	**106,768.26**
2)	**Other operating revenue**		
	Export incentives	677.20	580.71
	Other miscellaneous receipts	167.62	238.43
		844.82	**819.14**
	Total Revenue	**133,109.30**	**107,587.40**
B)	**Sales by performance obligations**		
	Upon shipment	7,808.31	8,450.76
	Upon delivery	116,797.12	96,190.91
	Profit share – Formulation	7,659.05	2,126.59
		132,264.48	**106,768.26**
C)	**Reconciliation of revenue from contract with customer**		
	Revenue from contract with customer as per the contract price	135,720.77	109,396.15
	Adjustments made to contract price on account of :		
	a) Discounts/ Rebates/ Incentives/ late delivery charges	920.80	798.11
	b) Sales Returns /Credits / Reversals	2,535.49	1,829.78
	Revenue from contract with customer	**132,264.48**	**106,768.26**
	Other operating revenue	**844.82**	**819.14**
	Revenue from operations	**133,109.30**	**107,587.40**

Notes to the standalone financial statements

for the year ended March 31, 2020

48 DISCLOSURE UNDER IND AS 116 - LEASES

The Company's significant leasing arrangements are in respect of godowns/ office premises taken on operating lease basis. These leasing arrangements, which are cancellable, range between 1 year and 5 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. There are certain agreements which provide for increase in rent. There are no subleases. There are no contingent rents.

Effective 1st April, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on A 1st April, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings (₹Nil), on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments, discounted using the its incremental borrowing rate at the date of initial application, and the right-of-use asset at an amount equal to the lease liability, adjusted by the accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Comparatives as at and for the year ended 31st March 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 31st March 2019. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. 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 difference between the lease obligation recorded as of 31st March, 2019 under Ind AS 17 disclosed in Annual Report and the value of the lease liability as of 1st April, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The interest rate applied to lease liabilities as at 1st April, 2019 is 8.95%.

A) Movement in the lease liabilities

(₹ In lakhs)

	As at 31st March 2020
Balance as on 1st April 2019	-
Additions	1,883.00
Interest expenses on lease liabilities (Refer note 32)	173.99
Payment of lease liabilities	(598.33)
Balance as on 31st March 2020	**1,458.66**

Notes to the standalone financial statements

for the year ended March 31, 2020

B) Maturity analysis of lease liabilities

(₹ In lakhs)

	As at 31st March 2020
Maturity analysis- Contractual undiscounted cash flows	
Within one year	661.92
After one year but not for more than five years	1,020.12
More than five year	-
Total undiscounted lease liabilities	**1,682.04**
Lease liabilities included in the statement of financial position	
Non- Current	928.69
Current	529.97
Total	**1,458.66**

C) Amount recognised in the statement of profit and loss

(₹ In lakhs)

	For the year ended 31st March 2020
Interest on lease liabilities (Refer note 32)	173.99
Depreciation on lease assets	481.14

49 EXCEPTIONAL ITEMS

The audited standalone financial statements for the year ended 31st March, 2019 includes an impairment loss of ₹ 397.11 lakhs towards investment made, loan given, other receivables from the joint venture, being excess of its carrying amount over the estimated recoverable amount considering the business outlook.

50 AMOUNT SPENT TOWARDS CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES ARE AS UNDER :

a. Gross amount required to be spent by the Company during the year is ₹ 455.79 lakhs (Previous year - ₹ 448.69 lakhs).

b. Amount spent during the year is given hereunder:

₹ in lakhs

Sr. No.	Particulars of Activity	For the year ended 31st March 2020	For the year ended 31st March 2019
(i)	Construction/ acquisition of any asset	-	-
(ii)	On purpose other than (i) above	537.49	207.17
	Total	**537.49**	**207.17**

Notes to the standalone financial statements

for the year ended March 31, 2020

51 DETAILS OF LOANS, INTER CORPORATE DEPOSIT AND INVESTMENTS AS REQUIRED UNDER SECTION 186(4) OF COMPANIES ACT 2013

₹ in lakhs

Particulars	As at 31st March 2020		As at 31st March 2019	
	Loan Given	Outstanding	Loan Given	Outstanding
Loan given to joint venture for working capital/ business operations				
- Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.* (repayable on demand)	48.32	365.32	86.11	317.00

Investments

Details required under section 186(4) have been disclosed in note 3 and 9 of financial statements

* For the year ended 31st March 2020, the Company has recorded for impairment of loan given to Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd. (Refer the note 46)

52 The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

53 The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Company has recognised tax expenses for the year ended 31st March, 2020 and re-measured its deferred tax liability basis the rate prescribed in the said section. Profit for the year is higher by ₹ 357.60 lakhs due to remeasurement of deferred tax liability recognised up to 31st March, 2020.

54 In March 2020, the World Health Organization declared COVID -19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption including remote working, maintaining social distancing, sanitization of work spaces etc. 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. 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. The Company also has not experienced any difficulties with respect to market demand, collections or liquidity. 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.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

VIKAS R. KASAT
Partner
Membership No : 105317

Place : Mumbai
Date : June 17, 2020

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Place : Mumbai
Date : June 17, 2020

Independent Auditor's Report

To the Members of

FDC Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of FDC Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint venture, which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income) , consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and joint venture as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at 31 March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters

Revenue recognition	How the matter was addressed in our audit
The Group recognises revenue from the sales of pharmaceutical products when control over goods is transferred to the customer based on the specific terms and conditions of the sale contracts entered into with respective customers.	Our procedures included the following:
We have identified recognition of revenue as a key audit matter as –	• Assessing the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards;
• revenue is a key performance indicator; and	• Testing of design, implementation and operating effectiveness of the Group's general Information Technology ('IT') controls and key IT application controls by involving our IT specialists;
• there is a presumed fraud risk of revenue being overstated through manipulation of the timing of transfer of control due to pressures to achieve performance targets as well as meeting external expectations.	• Performing substantive including testing of recognition of revenue in the appropriate period by selecting statistical samples of revenue transactions recorded during and at the end of the financial year.

Revenue recognition	How the matter was addressed in our audit
	• Examining the underlying documents such as sales invoices/ contracts and dispatch/shipping documents for the selected transactions.
	• Assessing manual journals posted in revenue ledger to identify any unusual items;

Litigations, claims and contingencies	How the matter was addressed in our audit
The Group operates in multiple jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of operations including transfer pricing and indirect tax matters. The company is also involved in multiple litigations/ legal actions arising out of commercial claims for customers/ vendors. These involve significant judgement by the Group to determine the possible outcome of the litigation, consequently having an impact on related accounting and disclosures in the consolidated financial statements. Considering the complexity, possible interpretations and the magnitude of the potential exposures, this is considered a key audit matter. Refer note 42 to the consolidated financial statements.	Our procedures included the following: • Evaluating the design, implementation and testing the operating effectiveness of controls in respect of the recognition and measurement of provisions towards litigation and claims; • Performing enquiries with the in-house legal compliance officer to evaluate the adequacy of provisions towards litigations and claims recognised by the Group; • Read and analyzing select key correspondence, orders and appeals documents, external legal opinions/ consultations obtained by the Group; • Obtaining independent confirmations from external lawyers where relevant; • Involving our internal tax experts to assess various tax position taken by the Group with respect to complex tax matters; • Assessing and challenging the Group's estimate of the possible outcome of the disputed cases considering legal precedence and other judicial rulings; and • Assessing and testing the presentation and disclosures relating to litigation, claims and contingencies.

Information Other than the Consolidated Financial Statements and Auditors' Report thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit reports of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a) We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets (before consolidation adjustments) of INR 1,061.69 lakhs as at 31 March 2020, total revenues (before consolidation adjustments) of INR 1,967.15 lakhs, total net profit after tax (before consolidation adjustments) of INR 587.22 lakhs and net cash outflows of INR 237.45 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated annual financial statements also include the Group's share of net loss (and other comprehensive income) of INR 101.28 lakhs for the year ended 31 March 2020, in respect of one joint venture whose financial statements have not been audited by us. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture is based solely on the audit reports of the other auditors.

Both of these subsidiaries and joint venture are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries and joint venture located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and joint venture located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and joint venture as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) The internal financial controls with reference to financial statements is not applicable to FDC International Limited and FDC Inc, foreign subsidiaries of the Holding Company and Fair Deal Corporation Pharmaceuticals SA (Pty) Limited, foreign joint venture of the Holding Company. With respect to adequacy of the internal financial controls with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and joint venture as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group and its joint venture. Refer Note 42 to the consolidated financial statements;

ii. The Group and its joint venture did not have any material foreseeable losses on long term contracts including derivative contracts during the year ended 31 March 2020;

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2020; and

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2020.

C. With respect to the matter to be included in the Audit Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vikas R Kasat
Partner
Membership No: 105317
UDIN: 20105317AAAACL8311

Place : Mumbai
Date : June 17, 2020

Annexure A to the Independent Auditor's Report on the consolidated financial statements of FDC Limited for the year ended 31 March 2020

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of FDC Limited (hereinafter referred to as "the Holding Company") as of that date.

In our opinion, the Holding Company has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of such internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Holding Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidate financial statements based on the criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vikas R Kasat
Partner
Membership No: 105317
UDIN: 20105317AAAACL8311

Place : Mumbai
Date : June 17, 2020

Consolidated Balance Sheet

as at 31st March 2020

₹ in lakhs

	PARTICULARS	Note No.	As at 31st March 2020	As at 31st March 2019
I.	ASSETS			
1.	**Non-current assets**			
	(a) Property, plant and equipment	2	65,478.59	67,574.70
	(b) Capital work-in-progress	2	2,385.00	1,238.14
	(c) Right-of-use assets	2	1,249.76	-
	(d) Other intangible assets	2	621.95	643.83
	(e) Financial assets			
	(i) Investments	3	16,231.47	17,910.69
	(ii) Loans	4	612.71	580.22
	(iii) Other financial assets	5	2.25	3.17
	(f) Income tax assets (net)	6	1,582.93	1,485.26
	(g) Other non-current assets	7	415.17	552.60
	Total non-current assets		**88,579.83**	**89,988.61**
2.	**Current assets**			
	(a) Inventories	8	20,996.34	17,378.89
	(b) Financial assets			
	(i) Investments	9	50,224.12	40,592.77
	(ii) Trade receivables	10	12,373.96	8,752.98
	(iii) Cash and cash equivalents	11	2,987.69	1,991.63
	(iv) Bank balances other than (iii) above	12	243.98	133.92
	(v) Loans	13	116.90	72.61
	(vi) Other financial assets	14	1,940.80	522.84
	(c) Other current assets	15	3,829.29	4,554.21
	Total current assets		**92,713.08**	**73,999.85**
	TOTAL ASSETS		**181,292.91**	**163,988.46**
II.	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity share capital	16	1,709.73	1,751.89
	(b) Other equity	17	153,033.23	142,771.71
	Total equity		**154,742.96**	**144,523.60**
	LIABILITIES			
1.	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	18	34.36	49.01
	(ii) Lease liabilities	19	928.69	-
	(iii) Other financial liabilities	20	-	138.60
	(b) Provisions	25	32.40	39.00
	(c) Deferred tax liabilities (net)	21	920.63	1,332.50
	Total non-current liabilities		**1,916.08**	**1,559.11**
2.	**Current liabilities**			
	(a) Financial liabilities			
	(i) Trade payables	22		
	(A) Total outstanding dues of Micro and small enterprises		1,810.68	1,188.21
	(B) Total outstanding dues of creditors other than Micro and small enterprises		9,975.05	6,573.18
	(ii) Other financial liabilities	23	7,336.73	5,519.92
	(b) Other current liabilities	24	669.76	647.43
	(c) Provisions	25	3,391.45	2,475.26
	(d) Current tax liabilities (net)	26	1,450.20	1,501.75
	Total current liabilities		**24,633.87**	**17,905.75**
	TOTAL EQUITY AND LIABILITIES		**181,292.91**	**163,988.46**
Significant accounting policies		1.4		
The accompanying notes are an integral part of the consolidated financial statements.		1 to 56		

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

VIKAS R.KASAT
Partner
Membership No : 105317

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Place : Mumbai
Date : June 17, 2020

Place : Mumbai
Date : June 17, 2020

Consolidated Statement of Profit and Loss

for the year ended 31st March 2020

₹ in lakhs

	PARTICULARS	Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
I	Revenue from operations	27	134,419.12	109,069.75
II	Other income	28	6,889.76	4,346.84
III	**Total Income (I + II)**		**141,308.88**	**113,416.59**
IV	**Expenses**			
	Cost of materials consumed	29	33,837.92	29,997.36
	Purchases of stock-in-trade		8,215.56	6,731.53
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	519.45	(2,214.70)
	Employee benefits expense	31	27,747.84	22,557.45
	Finance costs	32	341.62	143.83
	Depreciation and amortisation expense	33	3,745.89	3,323.88
	Other expenses	34	34,803.90	28,896.81
	Total Expenses		**109,212.18**	**89,436.16**
V	**Profit before Share of (loss) of joint venture, exceptional items and tax (III- IV)**		**32,096.70**	**23,980.43**
VI	Share of (loss) of joint venture (net of tax)		(101.28)	(205.68)
VII	**Profit before exceptional items and tax (V+VI)**		**31,995.42**	**23,774.75**
VIII	Exceptional items	50	-	111.21
IX	**Profit before tax (VII-VIII)**		**31,995.42**	**23,663.54**
X	**Tax expense:**	26		
	(1) Current tax		8,419.45	6,868.39
	(2) Deferred tax		(411.87)	(183.73)
	Total Tax expense		**8,007.58**	**6,684.66**
XI	**Profit for the year (IX-X)**		**23,987.84**	**16,978.88**
XII	**Other comprehensive income**	36		
	A (i) Items that will not be reclassified subsequently to profit or loss		(447.64)	(109.93)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		92.01	20.80
	B (i) Items that will be reclassified to profit or loss		31.76	22.83
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Other comprehensive income for the year (net of tax)		**(323.87)**	**(66.30)**
XIII	**Total Comprehensive income for the year (net of tax) (XI +XII)**		**23,663.97**	**16,912.58**
XIV	**Earnings per equity share**	35		
	Par value ₹ 1 per share (Previous year ₹ 1 per share)			
	(1) Basic (₹)		**13.94**	**9.74**
	(2) Diluted (₹)		**13.94**	**9.74**
Significant accounting policies		1.4		
The accompanying notes are an integral part of the consolidated financial statements.		1 to 56		

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

VIKAS R.KASAT
Partner
Membership No : 105317

Place : Mumbai
Date : June 17, 2020

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Place : Mumbai
Date : June 17, 2020

Consolidated Statement of Cash Flows

for the year ended 31st March 2020

₹ in lakhs

PARTICULARS		2019-2020	2018-2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before exceptional items and tax		31,995.42	23,774.75
Adjustments to reconcile profit before exceptional items tax to net cash flows:			
Depreciation and amortisation expenses		3,745.89	3,323.88
Interest expense		301.70	108.01
Interest income		(767.71)	(544.24)
Net gain on disposal of property, plant and equipment		(1,767.13)	(21.44)
Dividend income		(3,273.27)	(1,250.30)
Net loss/ (gain) on sale of investments		1,178.04	(345.74)
Fair value loss/ (gain) on financial instruments		1,315.95	(1,672.64)
Provision for Financial Instruments		1,500.00	-
Share of loss of joint venture		101.28	205.68
Translation adjustment on consolidation		20.31	(8.28)
Unrealised foreign exchange (gain)/ loss on restatement		(86.63)	169.11
Allowances for credit loss		5.43	16.01
Provision for doubtful debts no longer required, written back		(15.99)	(0.68)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**34,253.29**	**23,754.12**
Working capital adjustments:			
Increase in inventories		(3,617.45)	(1,330.03)
Increase in trade receivables		(3,504.11)	(689.38)
(Increase)/ decrease in financial assets		(92.01)	86.26
Decrease/ (Increase) in other assets		719.41	(137.30)
Increase/ (decrease) in trade and other payables		5,173.45	(2,696.40)
Increase/ (decrease) in provision		543.99	(338.21)
CASH GENERATED FROM OPERATIONS		**33,476.57**	**18,649.06**
Income tax paid (net)		(8,438.51)	(7,406.18)
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES	**(A)**	**25,038.06**	**11,242.88**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and other intangible assets		(3,123.27)	(4,272.96)
Proceeds from disposal of property, plant and equipment		2,751.17	52.33
Purchase of financial instruments		(98,368.49)	(77,560.65)
Proceeds from sale of financial instruments		84,794.56	68,148.03
Repayment of inter corporate deposit given		-	25.00
(Increase)/ decrease in fixed and margin deposits		(1.96)	11.64
Loan given to joint venture		(48.32)	(86.11)
Dividend income		3,273.27	1,250.30
Interest received		887.81	399.89
NET CASH FLOW USED IN INVESTING ACTIVITIES	**(B)**	**(9,835.23)**	**(12,032.53)**

₹ in lakhs

PARTICULARS		2019-2020	2018-2019
CASH FLOWS FROM FINANCING ACTIVITIES			
Buyback of equity shares		(12,005.00)	-
Expenses incurred for buyback of equity shares		(107.31)	-
Repayment of lease liabilities		(598.33)	-
Repayment of sales tax deferral loan		(11.44)	(9.03)
Dividend (including dividend distribution tax) paid		(1,370.45)	-
Amount (paid)/ deposited in bank accounts towards unpaid dividend		(107.18)	2.39
NET CASH FLOW USED IN FINANCING ACTIVITIES	**(C)**	**(14,199.71)**	**(6.64)**
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	**(A)+(B)+(C)**	**1,003.12**	**(796.29)**
Net foreign exchange differences on cash and cash equivalents		(7.06)	(25.00)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (Refer note 11)		**1,991.63**	**2,812.92**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Refer note 11)		**2,987.69**	**1,991.63**

Notes to the Consolidated Statements of Cash Flows

1. Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the Consolidated Statement of Cash Flows comprise of the following Balance Sheet items.

₹ in lakhs

Particulars	As at 31st March 2020	As at 31st March 2019
Cash on hand	12.02	8.80
Balances with banks:		
In current accounts	2,898.25	1,616.55
In deposit accounts (with original maturity of 3 months or less)	77.42	366.28
	2,987.69	**1,991.63**

2. The Consolidated Statement of Cash Flows have been prepared under the indirect method as set out in Ind AS 7 - Statement of Cash Flows.
3. Reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities:

₹ in lakhs

Particulars	Note No.	As at 31st March 2019	Cash flows	Non-cash changes			As at 31st March 2020
				Acquisition	Foreign exchange movement	Fair value change	
Borrowings	18						
Deferred sales tax loans		60.45	(11.44)	-	-	-	**49.01**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

VIKAS R.KASAT
Partner
Membership No : 105317

Place : Mumbai
Date : June 17, 2020

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Place : Mumbai
Date : June 17, 2020

Consolidated Statement of changes in equity

for the year ended 31st March 2020

(A) Equity share capital

₹ in lakhs

Particulars	No. in lakhs	Amount
Balances as at 1st April 2018	1,775.48	1,751.89
Changes during the year	-	-
Balances as at 31st March 2019	**1,775.48**	**1,751.89**
Less: 34,30,000 Equity shares of ₹1 each bought back	(34.30)	(34.30)
Less : Cancellation of forfeited Equity shares	(31.45)	(7.86)
Balances as at 31st March 2020	**1,709.73**	**1,709.73**

(B) Other equity

₹ in lakhs

Particulars	Reserves and Surplus				Other Comprehensive Income		Total Equity
	Retained earnings	General reserves	Capital reserve	Capital redemption reserve	Equity instruments through OCI	Foreign currency translation reserve	
Balances as at 1st April 2019	110,898.89	31,582.96	-	34.30	4.82	250.74	142,771.71
Profit for the year	23,987.84	-	-	-	-	-	23,987.84
Other Comprehensive income/ (loss) for the year							
- Remeasurement losses of defined benefit plans	(273.59)	-	-	-	-	-	(273.59)
- Net loss on FVTOCI financial assets	-	-	-	-	(82.04)	-	(82.04)
- Exchange differences in translating financial statements of foreign operations	-	-	-	-	-	31.76	31.76
Other comprehensive income/ (loss) for the year (net of tax) (Refer note 36)	(273.59)	-	-	-	(82.04)	31.76	(323.87)
Total Comprehensive income for the year	**23,714.25**	**-**	**-**	**-**	**(82.04)**	**31.76**	**23,663.97**
Dividends (including dividend distribution tax) (Refer note 37)	(1,370.45)	-	-	-	-	-	(1,370.45)
Cancellation of forfeited Equity Shares	-	-	7.86	-	-	-	7.86
Expenses for buyback of Equity Shares (Refer note 16)	(107.31)	-	-	-	-	-	(107.31)
Premium paid on buyback of Equity Shares	-	(11,970.70)	-	-	-	-	(11,970.70)
Transfer from General Reserve on Equity Shares bought back	-	(34.30)	-	34.30	-	-	-
Excess DDT Paid adjusted against oustanding demand	38.15	-	-	-	-	-	38.15
Balances as at 31st March 2020	**133,173.53**	**19,577.96**	**7.86**	**68.60**	**(77.22)**	**282.50**	**153,033.23**

₹ in lakhs

Particulars	Reserves and Surplus				Other Comprehensive Income		Total Equity
	Retained earnings	General reserves	Securities Premium	Capital redemption reserve	Equity instruments through OCI	Foreign currency translation reserve	
Balances as at 1st April 2018	93,958.74	31,582.96	-	34.30	55.22	227.91	125,859.13
Profit for the year	16,978.88	-	-	-	-	-	16,978.88
Other Comprehensive Income/ (Loss) for the year							
- Remeasurement losses of defined benefit plans	(38.73)	-	-	-	-	-	(38.73)
- Net loss on FVTOCI financial assets	-	-	-	-	(50.40)	-	(50.40)
- Exchange differences in translating financial statements of foreign operations	-	-	-	-	-	22.83	22.83
Other comprehensive income/ (loss) for the year (net of tax) (Refer note 36)	(38.73)	-	-	-	(50.40)	22.83	(66.30)
Total Comprehensive income for the year	**16,940.15**	**-**	**-**	**-**	**(50.40)**	**22.83**	**16,912.58**
Balances as at 31st March 2019	**110,898.89**	**31,582.96**	**-**	**34.30**	**4.82**	**250.74**	**142,771.71**

The above statements of changes in equity should be read in conjuction with the accompanying note 17 to the consolidated financial statements.

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

VIKAS R.KASAT
Partner
Membership No : 105317

Place : Mumbai
Date : June 17, 2020

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Place : Mumbai
Date : June 17, 2020

Notes to the consolidated financial statements

for the year ended March 31, 2020

1. COMPANY OVERVIEW, SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

1.1 CORPORATE INFORMATION

FDC Limited ("the Company" or "the Holding Company") is a public listed company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its equity shares are listed on two recognised stock exchanges Bombay Stock Exchange and National Stock Exchange in India. The registered office of the Company is located at Waluj, Dist. Aurangabad, Maharashtra.

These consolidated financial statements comprise of standalone financial statements of the Company and its subsidiaries (collectively referred to as "the Group") and the Group's interest in joint venture for the year ended 31st March 2020.

The Group is principally engaged in the business of Pharmaceuticals.

The consolidated financial statements for the year ended 31st March 2020 were authorised for issue by the Group's Board of directors on 17th June 2020.

The information in relation to subsidiaries and joint venture is provided in note 41.

1.2 BASIS OF PREPARATION AND MEASUREMENT

Statement of compliance

These consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amended Rules, 2016, and the relevant provisions and amendments, as applicable.

Basis of preparation and measurement

These consolidated financial statements have been prepared on historical cost basis, except for following:

- Certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value; and

- Defined benefit plans - plan assets measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The consolidated financial statements are prepared in Indian Rupees (INR), which is the Group's functional currency. All financial information have been presented in Indian Rupees (INR) and all amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

1.3 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of FDC Limited ("the Company" or the parent company) and all of its subsidiaries (together referred to as "the Group") and its joint venture entity. The subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The consolidated financial statements of the Group have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. In the preparation of consolidated financial statements, all significant intra-group transactions and accounts are eliminated. Unrealised profits, if any, on items carried in inventories are also eliminated from the consolidated financial statements. Unrealised losses resulting from intra-group transactions have also been eliminated but only to the extent that there is no evidence of impairment.

The Group's interests in equity accounted investees comprise interests in joint venture entity. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. The Group accounts for its share of interests in the joint venture entity using the equity method. The interest in joint venture is initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity-accounted investees until the date on which significant influence or joint control ceases.

The financial statements of the parent and its subsidiaries have been consolidated using uniform accounting policies.

Notes to the consolidated financial statements

for the year ended March 31, 2020

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with Group's accounting policies. The financial statements of all subsidiaries and joint venture company are drawn upto the same date as the parent company.

Consolidation procedure:

i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

iii. Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 - Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

Subsidiaries:

A subsidiary is an entity that is controlled by the Company.

The Company accounts for the investment in equity shares of subsidiaries at cost in accordance with Ind AS 27 - Separate Financial Statements.

Joint venture:

The Group's interests in joint ventures are accounted for using the equity method after initially being recognised at cost in the Consolidated Balance Sheet. Details of the joint venture are set out in note 49.

Equity method:

Under the equity method of accounting, the investments are initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date and the Group's share of other comprehensive income. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually. When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation:

Inter-group balances and transactions, and any unrealised income and expenses arising from inter-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.4 SIGNIFICANT ACCOUNTING POLICIES

a. CURRENT AND NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has identified twelve months as its operating cycle for the purpose of current/ non-current classification of assets and liabilities.

b. REVENUE RECOGNITION

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

Under Ind AS 115, the Group 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 Group has adopted Ind AS 115 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e. 1st April 2018).

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

Sale of products

Revenue from sale of goods is recognized at point in time when control is transferred to the customer and it is probable that consideration will be collected. Control of goods is transferred upon the shipment of the goods to the customer or when goods is made available to the customer.

Profit share revenues

The Group has certain marketing arrangements based on the profit sharing model whereby the Group sells its products to the business partner on price agreed upon agreement and is also entitled for profit share over and above its sale price. Revenue from the sale of goods to the partner is recognised upon delivery of products to them. Whereas amount representing the profit share component is recognised as revenue in the period which corresponds to the ultimate sales of the products made by business partners and when the collectability of the profit share becomes probable and reliable.

Sales returns

The Group accounts for sales returns by recording an allowance for sales returns concurrent with the recognition of revenue at the time of product sale. This allowance is based on the Group's estimate of expected sales returns towards expiry, breakages and damages. The estimate of sales returns is determined primarily by the Group's historical experience of sales returns trends with respect to the shelf life of various products.

Interest income

For all debt instruments measured either at amortised cost, interest income is recorded using the effective interest rate (EIR) as set out in Ind AS 109. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

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

Other income

Other income is accounted for on accrual basis except where the receipt of income is uncertain.

c. PROPERTY, PLANT AND EQUIPMENT

The items of Property, plant and equipment including Capital-work-in-progress are stated at cost net of accumulated

Notes to the consolidated financial statements

for the year ended March 31, 2020

depreciation and accumulated impairment losses, if any. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at regular intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the Consolidated Statement of Profit and Loss as incurred. In respect of additions to/ deletions from the property, plant and equipment, depreciation is provided on pro-rata reference to the month of addition/ deletion of the assets.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

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.

All identifiable revenue expenses including interest incurred in respect of various projects / expansion, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work – in – Progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in consolidated financial statements.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Depreciation method and estimated useful lives

<u>FDC Limited</u>

Depreciation on the property, plant and equipment is provided on straight line method.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Gain or loss on disposal

Any gain or losses on disposal of property, plant and equipment is recognised in the Consolidated Statement of Profit and Loss.

Estimated useful life of the assets is as follows:

Nature of Tangible Assets	Useful Life (No. of Years) As per Companies Act, 2013	Useful Life (No. of Years) As estimated by the Company
Plant and Machinery	7.5 to 15	7.5 to 15
Building	30 to 60	30 to 60
Laboratory Testing Machines	10	10
Office Equipments	5	5
Furniture, Fixtures and fittings	10	10
Computers and Peripherals	3 to 6	3 to 6
Vehicles	8	6
Electrical Installations	10	10
Leasehold land	Over the period of lease	Amortised over the period of lease ranging from 30 to 99

Assets costing less than Rs. 5,000 are depreciated at the rate of hundred per cent.

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Subsidiaries

Depreciation is provided on cost less estimated residual value of fixed assets over their expected useful lives following straight line method.

Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date and if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's 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 the money and risks specific to the assets. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

After recognition of impairment loss, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on straight line basis over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

d. OTHER INTANGIBLE ASSETS

Other intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets with finite life are measured at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Consolidated Statement of Profit and Loss in the period in which the expenditure is incurred.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the amount of the asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is de-recognised.

The Parent Company

A summary of the policy applied to the Parent Company's other intangible assets is as follows:

Nature of Other intangible Assets	Useful Life (No. of years) As estimated by the Company	Amortisation method used
Software and Trademarks	5 to 10	Amortised on straight-line basis

e. 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

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss, on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purpose of subsequent measurements, financial assets are classified in following categories:

(a) Debt instruments at amortised cost

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

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 integral part of EIR. The EIR amortisation is included in Other Income in the Consolidated Statement of Profit and Loss.

(b) Debt instruments at fair value through Other comprehensive income

A financial asset is subsequently measured at fair value through Other comprehensive income (OCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movement is recognised in the OCI. However, the Group recognises any interest income or impairment losses in the Consolidated Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the OCI to Consolidated Statement of Profit and Loss.

(c) Debt instruments at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. Debt instruments included within FVTPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss.

(d) Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. For all equity instruments, the Group may make an irrevocable election to present in Other comprehensive income subsequent changes in the fair value. All fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. The Group has made such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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 when:

- The rights to receive cash flows from the asset has expired, or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group has retained.

The 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 Group could be required to repay.

Impairment of financial assets

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

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

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

(c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of trade receivables or contract assets.

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade Receivables and Other Receivables.

The application of simplified approach does not require the Group 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.

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For recognition of impairment loss on other financial assets and risk exposure, the Group 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 that are possible within 12 months after the reporting date.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Consolidated Statement of Profit and Loss. This amount is reflected under the head 'Other expenses' in the Consolidated Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost, contractual revenue 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 Group does not reduce impairment allowance from the gross carrying amount.

Equity 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 trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 - Financial instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities

The Group classifies all financial liabilities as subsequently measured at amortised cost or FVTPL.

Initial recognition and measurement

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 Group's financial liabilities include trade and other payables and borrowings including bank overdrafts.

Subsequent measurement

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 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. This category also includes derivative financial instruments entered into by the Group that are not designated as instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Consolidated Statement of Profit and Loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group 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 Consolidated Statement of Profit and Loss.

f. FAIR VALUE MEASUREMENT

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

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

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

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

Level 1 - Quoted (unadjusted) market prices in active markets/ declared buyback NAV for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

g. INVENTORIES

Raw materials and packing materials are valued at lower of cost and net realisable value, cost of which includes duties and taxes and is arrived at on weighted average cost basis. Cost of imported raw materials and packing materials lying in bonded warehouse includes customs duty. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished products including traded goods and work-in-progress are valued at lower of cost and net realisable value. Cost is arrived at on weighted average cost basis. Cost of finished products and work-in-progress includes material cost, labour, direct expenses, production overheads and applicable taxes, where applicable.

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.

h. FOREIGN CURRENCY TRANSLATION/ TRANSACTIONS

The Group's consolidated financial statements are presented in Indian Rupees (INR) which is the parent company's functional and presentation currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Monetary assets and liabilities denominated in a foreign currency outstanding at the year end are restated at the year end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Notes to the consolidated financial statements

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Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expense in the year in which they arise.

Exchange differences arising out of settlement and restatement of foreign exchange monetary items are taken to the Consolidated Statement of Profit and Loss.

The exchange differences arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to translation difference.

The financial statements of the foreign subsidiaries and the joint venture company are translated into Indian Rupees as follows:

- Income and expense items except opening and closing inventories are translated at the average exchange rate for the year. Opening and closing inventories are translated at the rates prevalent at the commencement and close respectively of the accounting period.
- All assets and liabilities are translated using the closing exchange rate.
- The differences arising on elimination of monetary intra-group balances and transactions are taken to the Consolidated Statement of Profit and Loss.
- The differences on translation including those arising on elimination of non-monetary intra-group balances and transactions are taken to Other comprehensive income (OCI).
- On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the Consolidated Statement of Profit and Loss.
- On disposal or partial disposal of the foreign subsidiary, the foreign exchange differences recognised in OCI is reclassified to the Consolidated Statement of Profit and Loss.

In accordance with Ind AS 101, the Group has elected to deem foreign currency translation differences that arose prior to the date of transition to Ind AS, i.e., 1st April 2015, in respect of all foreign operations to be nil at the date of transition. From 1st April 2015 onwards, such exchange differences are recognised in OCI and accumulated in equity.

i. GOVERNMENT GRANTS

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/ subsidy will be received and all attaching conditions will be complied with.

Government grants related to revenue is recognised on a systematic basis in the Consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

Government grants relating to specific fixed assets is recognised as income in equal amounts over the expected useful life of the related asset.

j. EMPLOYEE BENEFITS

All employee benefits payable wholly within twelve months of rendering service are classified as short term employee benefits. 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.

Defined contribution plans

The Group's contribution to recognised provident fund, family pension fund and superannuation fund is defined contribution plan and is charged to the Consolidated Statement of Profit and Loss on accrual basis. The Group recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. There are no other obligations other than the contribution payable to the respective trusts.

The Group fully contributes all ascertained liabilities to the FDC Limited Gratuity Trust (the Trust). Trustees administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by laws of India.

The subsidiaries and joint venture don't have any defined contribution plans.

Defined benefit plans

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group.

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Contribution to gratuity fund is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Remeasurement of the net defined liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest income) are recognised in Other comprehensive income. Remeasurements are not reclassified to the Consolidated Statement of Profit and Loss in subsequent periods. Net interest and other expenses related to defined benefit plans are recognised in the Consolidated Statement of Profit and Loss.

The subsidiaries and joint venture don't have any defined benefit plans.

Other employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. The Group has other long-term employee benefits in the nature of leave encashment. The liability in respect of leave encashment is provided for on the basis of an actuarial valuation on projected unit credit method at the end of financial year.

k. RESEARCH AND DEVELOPMENT EXPENSES

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an other intangible asset when the Group can demonstrate technical and commercial feasibility of making the asset available for use.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Consolidated Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

l. LEASE ACCOUNTING

Group as a lessee

The Group lease asset classes primarily consist of leases for land and buildings. The Group assess whether a contract contains a lease, at inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(1) the contract involves the use of an identified asset

(2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(3) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group 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 Group 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 right-of-use 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.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. 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.

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 generally accepted interest rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Notes to the consolidated financial statements

for the year ended March 31, 2020

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

Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Effective 1st April, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st April, 2019 using the modified retrospective method and has taken the cumulative effect of initially applying the Standard and recognised at the date of initial application. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the generally accepted interest rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the generally accepted interest rate at the date of initial application. Comparatives as at and for the year ended 31st March, 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 31st March, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset and a 'lease liability'. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. 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.

Ind AS 116 - Practical expedients

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 difference between the lease obligation recorded as of 31st March 2019 under Ind AS 17 disclosed under Note 46 and the value of the lease liability as of 1st April 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The interest rate applied to lease liabilities as at 1st April 2019 is 8.95%.

m. EARNING PER SHARE

Basic earning per share is computed by dividing the net profit after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is computed by dividing the net profit after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, if any.

n. TAXATION

Current tax

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in net profit in the Consolidated Statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted by the balance sheet date.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the relevant tax laws. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the group operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which unused tax credits and unused tax losses can be recognised. At each balance sheet date, the Group reassesses unrecognised deferred tax assets and is recognised to the extent that it is probable that future taxable profit will be available for their realisation.

Current and deferred tax for the year

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible a temporary differences and tax losses can be utilized. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax are recognised in the Consolidated 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.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act,1961 is in the nature of unused tax credit which can be carried forward and adjusted when the Group will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognised to the extent probable that the unused tax credit can be utilised in the specified future period. The net amount of tax recoverable from, or payable to, the authority is included as part of receivables or payables in the Balance Sheet.

o. PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Consolidated Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

p. CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

Notes to the consolidated financial statements

for the year ended March 31, 2020

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of benefits is probable, contingent asset is disclosed in the consolidated financial statements.

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

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

q. SEGMENT REPORTING

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the chief operating decision maker evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. The Group's chief operating decision maker is the Managing Director of the Company.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

r. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Consolidated Statement of Cash Flow, 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 Group's cash management.

s. CASH DIVIDEND TO EQUITY HOLDERS

The Group recognises liability to make cash distribution to equity holders of the parent company when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the law, distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

t. EXCEPTIONAL ITEMS

The Group discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying operating performance of the Group and provides consistency with the Group's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Group. Exceptional items can include, but are not restricted to, impairment loss on investments/ long term loans exchange gain/ (loss) on long term borrowings/ assets and changes in fair value of derivative contracts.

u. POLICY FOR STATEMENT OF CASH FLOWS

The Group's statement of cash flows are prepared using the Indirect method, whereby profit/ loss for the period 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 flows from operating, investing and financing activities of the Group are segregated.

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

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

Sales returns

Revenue from sale of products is recognised when significant risks and rewards of ownership are transferred to customers, which coincides with dispatch of goods to customers. However, the Group needs to accept goods returned from its customers towards expiry, breakages and damages. Accordingly, the Group has made provision based on the historical sales return trends with respect to the shelf life of various products.

Notes to the consolidated financial statements

for the year ended March 31, 2020

Impairment of financial assets

The Group recognises loss allowances on financial assets using expected credit loss model which is equal to the 12 months expected credit losses or full-time expected credit losses.

The Group follows 'Simplified approach' for recognition of loss allowance on trade receivables under which Group does not track changes in credit risk. Rather, it recognises loss allowance based on lifetime expected credit losses at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

Defined benefit plans (Gratuity benefits)

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair value of financial assets and liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Useful life of property, plant and equipment and other intangible assets

As described in Note 1.4 (c and d), the Group reviews the estimated useful lives and residual values of property, plant and equipment and other intangible assets at the end of each reporting period. During the current financial year, the management has reassessed the useful lives of certain property, plant and equipment and other intangible assets and the impact of the change is not material for the year. There were no changes in residual values of the property, plant and equipment and other intangible assets.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. The assessment of probability involves estimation of a number of factors including future taxable income.

Provision against obsolete and slow-moving inventories

The Group reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. The Group estimates the net realisable value for such inventories based on the latest invoice prices and current market conditions. The Group carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Group reassesses the estimation on each balance sheet date.

The provision against obsolete and slow-moving inventories requires the use of judgements and estimates. Where the expectation is different from the original estimate, such difference will impact on the carrying value of inventories and the write-down of inventories recognised in the periods in which such estimates have been changed.

Recent accounting pronouncements

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 1st April 2020.

Notes to the consolidated financial statements

for the year ended March 31, 2020

2 PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF- USE ASSETS, OTHER INTANGIBLE ASSETS AND CAPITAL WORK-IN-PROGRESS

₹ in lakhs

PARTICULARS	GROSS CARRYING VALUE					DEPRECIATION / AMORTISATION					NET CARRYING VALUE	
	As at 31st March 2019	Additions	Deletions / Adjustments	Translation gain	As at 31st March 2020	As at 31st March 2019	For the year	Deletions / Adjustments	Translation gain	As at 31st March 2020	As at 31st March 2020	As at 31st March 2019
PROPERTY, PLANT AND EQUIPMENT												
Leasehold land	333.26	-	-	-	333.26	30.99	7.60	-	-	38.59	294.67	302.27
Leasehold improvements	383.95	-	-	-	383.95	106.46	76.06	-	-	182.52	201.43	277.49
Freehold land *	41,544.78	-	834.62	-	40,710.16	-	-	-	-	-	40,710.16	41,544.78
Buildings**	13,407.78	-	134.83	12.43	13,285.38	1,680.41	408.89	11.78	1.11	2,078.63	11,206.75	11,727.37
Plant and machinery	11,046.26	827.42	48.15	0.39	11,825.92	4,879.69	1,103.54	43.07	0.26	5,940.42	5,885.50	6,166.57
Laboratory testing machines	3,226.59	303.57	32.85	-	3,497.31	1,356.70	356.32	24.32	-	1,688.70	1,808.61	1,869.89
Electrical installations	1,213.09	54.18	6.72	-	1,260.55	635.93	119.48	3.41	-	752.00	508.55	577.16
Furniture, fixtures and fittings	2,355.60	106.36	-	-	2,461.96	1,096.06	199.66	-	-	1,295.72	1,166.24	1,259.54
Office equipments	2,414.19	247.18	7.62	-	2,653.75	1,507.19	400.73	6.84	-	1,901.08	752.67	907.00
Vehicles	452.82	168.04	35.56	-	585.30	255.05	62.24	35.37	-	281.92	303.38	197.77
R&D Assets												
Freehold land	449.09	-	-	-	449.09	-	-	-	-	-	449.09	449.09
Buildings	1,120.24	-	-	-	1,120.24	93.43	25.73	-	-	119.16	1,001.08	1,026.81
Equipments	2,356.79	211.17	44.44	-	2,523.52	1,173.44	239.39	36.24	-	1,376.59	1,146.93	1,183.35
Furniture and fixtures	258.18	24.10	1.02	-	281.26	172.57	65.90	0.74	-	237.73	43.53	85.61
Total of Property, plant and equipment (A)	**80,562.62**	**1,942.02**	**1,145.81**	**12.82**	**81,371.65**	**12,987.92**	**3,065.54**	**161.77**	**1.37**	**15,893.06**	**65,478.59**	**67,574.70**
RIGHT-OF-USE ASSETS												
Right-of-use (leasehold properties) **(B)**	**-**	**1,730.90**	**-**	**-**	**1,730.90**	**-**	**481.14**	**-**	**-**	**481.14**	**1,249.76**	**-**
OTHER INTANGIBLE ASSETS												
Marketing Rights/ Trademarks	66.38	66.70	-	-	133.08	52.51	22.32	-	-	74.83	58.25	13.87
Software	1,150.78	110.63	-	-	1,261.41	520.82	176.89	-	-	697.71	563.70	629.96
Total of Other intangible assets (C)	**1,217.16**	**177.33**	**-**	**-**	**1,394.49**	**573.33**	**199.21**	**-**	**-**	**772.54**	**621.95**	**643.83**
TOTAL (A+B+C)	**81,779.78**	**3,850.25**	**1,145.81**	**12.82**	**84,497.04**	**13,561.25**	**3,745.89**	**161.77**	**1.37**	**17,146.74**	**67,350.30**	**68,218.53**
Capital work-in-progress											**2,385.00**	**1,238.14**

* Freehold land of ₹ 640.66 lakhs (Previous year - ₹ 640.66 lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

** Building of ₹ 3,178.14 lakhs (Previous year - ₹ 3,272.60 lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

The Group has not capitalised any borrowing cost during the current year (Previous year - ₹ Nil).

The Group has not recognised any impairment loss during the current year (Previous year - ₹ Nil).

No property, plant and equipment is pledged as security by the Group.

2 PROPERTY, PLANT AND EQUIPMENT, OTHER INTANGIBLE ASSETS, CAPITAL WORK-IN-PROGRESS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in lakhs

PARTICULARS	GROSS CARRYING VALUE					DEPRECIATION / AMORTISATION					NET CARRYING VALUE	
	As at 31st March 2018	Additions	Deletions / Adjustments	Translation loss	As at 31st March 2019	As at 31st March 2018	For the year	Deletions / Adjustments	Translation loss	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
PROPERTY, PLANT AND EQUIPMENT												
Leasehold land	333.26	-	-	-	333.26	23.39	7.60	-	-	30.99	302.27	309.87
Leasehold improvements	385.32	-	1.37	-	383.95	30.84	76.21	0.59	-	106.46	277.49	354.48
Freehold land *$	41,544.78	-	-	-	41,544.78	-	-	-	-	-	41,544.78	41,544.78
Buildings**	13,244.86	177.71	6.54	(8.25)	13,407.78	1,272.43	411.50	2.74	(0.78)	1,680.41	11,727.37	11,972.43
Plant and machinery	8,794.99	2,263.56	12.03	(0.26)	11,046.26	3,753.89	1,135.78	9.80	(0.18)	4,879.69	6,166.57	5,041.10
Laboratory testing machines	2,570.39	408.06	(248.14)	-	3,226.59	910.94	302.50	(143.26)	-	1,356.70	1,869.89	1,659.45
Electrical installations	1,050.04	134.24	(28.81)	-	1,213.09	490.51	125.00	(20.42)	-	635.93	577.16	559.53
Furniture, fixtures and fittings	2,143.98	208.00	(3.62)	-	2,355.60	862.81	230.85	(2.40)	-	1,096.06	1,259.54	1,281.17
Office equipments	2,014.26	399.37	(0.56)	-	2,414.19	1,118.82	387.72	(0.65)	-	1,507.19	907.00	895.44
Vehicles	326.22	126.60	-	-	452.82	195.86	59.19	-	-	255.05	197.77	130.36
R&D Assets												
Freehold land	449.09	-	-	-	449.09	-	-	-	-	-	449.09	449.09
Buildings	1,120.24	-	-	-	1,120.24	66.07	27.36	-	-	93.43	1,026.81	1,054.17
Equipments	2,535.09	115.99	294.29	-	2,356.79	1,028.49	312.82	167.87	-	1,173.44	1,183.35	1,506.60
Furniture and fixtures	222.04	80.09	43.95	-	258.18	128.94	75.52	31.89	-	172.57	85.61	93.10
Total of Property, plant and equipment (A)	**76,734.56**	**3,913.62**	**77.05**	**(8.51)**	**80,562.62**	**9,882.99**	**3,152.05**	**46.16**	**(0.96)**	**12,987.92**	**67,574.70**	**66,851.57**
OTHER INTANGIBLE ASSETS												
Marketing Rights/ Trademarks	59.39	6.99	-	-	66.38	49.99	2.52	-	-	52.51	13.87	9.40
Software	854.84	295.94	-	-	1,150.78	351.51	169.31	-	-	520.82	629.96	503.33
Total of Other intangible assets (B)	**914.23**	**302.93**	**-**	**-**	**1,217.16**	**401.50**	**171.83**	**-**	**-**	**573.33**	**643.83**	**512.73**
TOTAL (A+B)	**77,648.79**	**4,216.55**	**77.05**	**(8.51)**	**81,779.78**	**10,284.49**	**3,323.88**	**46.16**	**(0.96)**	**13,561.25**	**68,218.53**	**67,364.30**
Capital work-in-progress											**1,238.14**	**988.54**
Intangible assets under development											**-**	**295.94**

* Freehold land of ₹ 640.66 lakhs (Previous year - ₹ 640.66 lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

** Building of ₹ 3,272.60 lakhs (Previous year - ₹ 3,272.60 lakhs) includes cost of unquoted fully paid shares in various co-operative housing societies.

$ Freehold land includes land acquired on amalgamation with a carrying value of ₹ 817.49 lakhs for which the company is in the process of registering the title deeds in its name.

The Group has not capitalised any borrowing cost during the current year (Previous year - ₹ Nil).

The Group has not recognised any impairment loss during the current year (Previous year - ₹ Nil).

No property, plant and equipment is pledged as security by the Group.

Notes to the consolidated financial statements

for the year ended March 31, 2020

3 INVESTMENTS

₹ in lakhs

		Non-current	
		As at 31st March 2020	As at 31st March 2019
UNQUOTED			
Investments measured at amortised cost			
Investments in government securities (Refer note below)			
National Savings Certificates		0.07	0.07
35 (Previous year - 35) Govt. of India G.P. Notes - face value of ₹ 2,000		0.02	0.02
		0.09	**0.09**
Investments designated at fair value through other comprehensive income			
Investments in fully paid-up equity instruments		0.63	0.63
	(A)	**0.72**	**0.72**
Investments mandatorily measured at fair value through profit or loss			
Investments in units of mutual funds		6,921.38	10,120.83
Investments in fully paid-up Non Convertible Debentures		403.40	-
	(B)	**7,324.78**	**10,120.83**
Sub-Total	**(C) = (A+B)**	**7,325.50**	**10,121.55**
QUOTED			
Investments measured at amortised cost			
Investments in fully paid-up bonds		10,333.33	7,634.46
Less: Provision for impairment in the value of investments		(1,500.00)	-
	(D)	**8,833.33**	**7,634.46**
Investments designated at fair value through other comprehensive income			
Investments in fully paid-up equity instruments		72.64	154.68
	(E)	**72.64**	**154.68**
Sub-Total	**(F) = (D+E)**	**8,905.97**	**7,789.14**
Total	**(C+F)**	**16,231.47**	**17,910.69**
Aggregate book value of quoted investments		8,905.97	7,789.14
Aggregate market value of quoted investments		8,905.97	7,789.14
Aggregate value of unquoted investments		7,325.50	10,121.55
Aggregate amount of impairment in value of investments		1,500.00	-

Note: National Savings Certificates of the value of ₹ 0.04 lakhs (Previous year – ₹ 0.04 lakhs) and Government of India G.P. Notes of the value of ₹ 0.02 lakhs (Previous year – ₹ 0.02 lakhs) have been lodged with the Excise authorities. National Savings Certificates of ₹ 0.03 lakhs (Previous year – ₹ 0.03 lakhs) have been lodged with the Sales tax authorities.

Notes to the consolidated financial statements

for the year ended March 31, 2020

4 LOANS*

₹ in lakhs

	Non-current	
	As at 31st March 2020	As at 31st March 2019
Unsecured, considered good		
Loans to employees	17.99	10.20
Security deposits	594.72	570.02
	612.71	**580.22**

* There is no amount due from director, other officers of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.

5 OTHER FINANCIAL ASSETS

₹ in lakhs

	Non-current	
	As at 31st March 2020	As at 31st March 2019
Unsecured, considered good		
Margin money deposits	2.25	3.17
	2.25	**3.17**

6 INCOME TAX ASSETS (NET)

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Income tax paid [Net of provision - ₹ 29,545.46 lakhs (Previous year - ₹ 21,357.47 lakhs)]	1,582.93	1,485.26
	1,582.93	**1,485.26**

7 OTHER NON-CURRENT ASSETS

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Unsecured, considered good		
Capital advances	341.97	484.91
Prepaid expenses	73.20	67.69
	415.17	**552.60**

Notes to the consolidated financial statements

for the year ended March 31, 2020

8 INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Raw materials [Including stock in transit ₹ 110.60 lakhs (Previous year - ₹ Nil lakhs)]	8,133.92	4,119.14
Packing materials [Including stock in transit ₹ 32.54 lakhs (Previous year - ₹ Nil lakhs)]	1,810.91	1,688.79
Work-in-progress	1,652.44	2,169.30
Finished goods [Including stock in transit ₹ 421.71 lakhs (Previous year - ₹ 872.21 lakhs)]	7,778.76	8,077.19
Stock-in-trade	1,620.31	1,324.47
	20,996.34	**17,378.89**

During the year ended 31st March 2020, ₹ 600.12 lakhs (Previous year - ₹ 722.89 lakhs) was charged to the Consolidated Statement of Profit and Loss on account of damaged and slow moving inventories.

9 INVESTMENTS

₹ in lakhs

	Current	
	As at 31st March 2020	As at 31st March 2019
UNQUOTED		
Investments mandatorily measured at fair value through profit or loss		
Investments in mutual funds	50,224.12	40,192.57
Investments in fully paid-up non convertible debentures	-	400.20
	50,224.12	**40,592.77**
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate value of unquoted investments	50,224.12	40,592.77
Aggregate amount of impairment in value of investments	-	-

10 TRADE RECEIVABLES

₹ in lakhs

		As at 31st March 2020	As at 31st March 2019
Unsecured, considered good		12,373.96	8,752.98
Credit impaired		111.86	122.41
	(A)	**12,485.82**	**8,875.39**
Less : Allowance for credit loss	**(B)**	**111.86**	**122.41**
	(A-B)	**12,373.96**	**8,752.98**

Notes to the consolidated financial statements

for the year ended March 31, 2020

Movement in expected credit loss allowance

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	122.41	107.08
Less: Amount collected and hence reversal of provision	15.98	0.68
Less: Balance written off during the year	-	-
Add: Provision made during the year	5.43	16.01
Balance at the end of the year	**111.86**	**122.41**

Note: There are no trade or other receivables which are due from directors or other officers of the Group either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.
For terms and conditions relating to related party receivables, refer note 46.
Trade receivables are non-interest bearing and are generally on terms of 8 to 120 days.

11 CASH AND CASH EQUIVALENTS

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Cash on hand	12.02	8.80
Balances with banks:		
In current accounts	2,898.25	1,616.55
In deposit accounts (with original maturity of 3 months or less)	77.42	366.28
	2,987.69	**1,991.63**

12 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Margin money deposits*	28.57	25.69
In unpaid dividend account	215.41	108.23
	243.98	**133.92**

* Margin money deposits are given as security against bank guarantee with original maturity of more than 3 months but less than 12 months.

Notes to the consolidated financial statements

for the year ended March 31, 2020

13 LOANS

₹ in lakhs

		Current	
		As at 31st March 2020	**As at 31st March 2019**
Unsecured, considered good			
Loans/ advances to employees		23.86	34.99
Security deposits		93.04	37.62
Loans to related parties (Refer note 46)		-	-
Credit impaired			
Loans to related parties (Refer note 46)		-	42.40
	(A)	**116.90**	**115.01**
Less: Impairment of loan to related parties	**(B)**	**-**	**42.40**
	(A-B)	**116.90**	**72.61**

14 OTHER FINANCIAL ASSETS

₹ in lakhs

		Current	
		As at 31st March 2020	**As at 31st March 2019**
Unsecured, considered good			
Receivable towards mutual funds units redemptions		1,545.77	-
Export benefit receivable		357.71	358.34
Other receivables		15.86	-
Interest accrued on investments and others		21.46	164.50
Credit impaired			
Interest accrued on loan to related parties (Refer note 46)		-	50.39
	(A)	**1,940.80**	**573.23**
Less: Impairment of interest accrued on loan to related parties	**(B)**	-	50.39
	(A-B)	**1,940.80**	**522.84**

15 OTHER CURRENT ASSETS

₹ in lakhs

		As at 31st March 2020	**As at 31st March 2019**
Unsecured, considered good			
Advances to suppliers		963.13	649.69
Prepaid expenses		740.47	608.78
Balances with statutory/ government authorities		2,125.69	3,295.74
Reimbursement of expenses receivable from FDC SA(Pty) Ltd. (Refer note 46)		-	-
Credit impaired			
Reimbursement of expenses receivable from FDC SA(Pty) Ltd. (Refer note 46)		-	18.42
Balances with statutory/ government authorities		25.69	25.69
	(A)	**3,854.98**	**4,598.32**
Less: Impairment of expenses receivable from FDC SA(Pty) Ltd.	**(B)**	**-**	**18.42**
Less: Allowance for doubtful advances	**(C)**	**25.69**	**25.69**
	(A-B-C)	**3,829.29**	**4,554.21**

Notes to the consolidated financial statements

for the year ended March 31, 2020

Break up of financial assets carried at amortised cost

₹ in lakhs

	Non-current		Current	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Investments (Refer note 3)	8,833.42	7,634.55	-	-
Loans (Refer note 4 and 13)	612.71	580.22	116.90	72.61
Trade receivables (Refer note 10)	-	-	12,373.96	8,752.98
Cash and cash equivalents (Refer note 11)	-	-	2,987.69	1,991.63
Bank balance other than cash and cash equivalents (Refer note 12)	-	-	243.98	133.92
Other Financial assets (Refer note 5 and 14)	2.25	3.17	1,940.80	522.84
Total financial assets carried at amortised cost	**9,448.38**	**8,217.94**	**17,663.33**	**11,473.98**

16 SHARE CAPITAL

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Authorised share capital		
294,200,000 (Previous year - 294,200,000) Equity shares of ₹ 1 each	2,942.00	2,942.00
3,000 (Previous year - 3,000) 8% Non-Cumulative Redeemable Preference shares of ₹ 100 each	3.00	3.00
	2,945.00	**2,945.00**
Issued share capital		
170,973,084 (Previous year - 177,548,084) Equity shares of ₹ 1 each, fully paid-up	1,709.73	1,775.48
	1,709.73	**1,775.48**
Subscribed and Paid-up share capital		
170,973,084 (Previous year - 174,403,084) Equity shares of ₹ 1 each, fully paid-up	1,709.73	1,744.03
Add: 3,145,000 (Previous year - 3,145,000) Equity shares forfeited	7.86	7.86
Less: 3,145,000 (Previous year - Nil) Equity shares forfeited Cancellation	(7.86)	-
Total	**1,709.73**	**1,751.89**

Notes:

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

	As at 31st March 2020		As at 31st March 2019	
	No. in lakhs	₹ in lakhs	No. in lakhs	₹ in lakhs
At the beginning of the period	1,744.03	1,744.03	1,744.03	1,744.03
Less: Share capital bought back	34.30	34.30	-	-
Outstanding at the end of the period	**1,709.73**	**1,709.73**	**1,744.03**	**1,744.03**

(b) Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Notes to the consolidated financial statements

for the year ended March 31, 2020

During the year ended 31st March 2020, the amount of per share interim dividend paid as distribution to equity shareholders is ₹ 0.80 (Previous year - ₹ Nil).

The Company had cancelled 31,45,000 forfeited equity shares of ₹0.25/- each containing total amount of ₹ 7.86 lakhs of forfeited equity shares and the same was by approved by shareholders in the annual general meeting held on September 27, 2019 by way of ordinary resolution. The forfeited capital amount has been transferred to Capital reserve as per the applicable provisions of Companies Act, 2013.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	As at 31st March 2020	As at 31st March 2019
	No. in lakhs	No. in lakhs
Equity shares bought back by the Company	68.60	34.30

The Board of Directors, at its meeting held on May 24, 2019 had approved a proposal of the Parent Company to buy-back its 34,30,000 fully paid–up equity shares of face value of Re. 1 each from the eligible equity shareholders of the Parent company who have validly tendered their shares. The buy-back was offered to all eligible equity shareholders of the Parent Company on proportionate basis through the "Tender offer" route in accordance with SEBI (Buy-back of Securities) Regulations, 2018. The Buyback of equity shares through the stock exchange commenced on June 07, 2019 and was completed on July 23, 2019 and the Parent Company bought back and extinguished a total of 34,30,000 equity shares at a price of ₹ 350 per equity share, comprising of 1.97% of pre-buyback paid up equity share capital of the Parent Company. The buyback resulted in a cash outflow of ₹ 12,005.00 lakhs (excluding transaction cost). The Company funded the Buyback from its General reserve. In accordance with Section 69 of the Companies Act, 2013, as at results approved for the half year ended September 30, 2019, the Parent Company has credited 'Capital Redemption Reserve' with an amount of ₹ 34.30 lakhs, being amount equivalent to the nominal value of the Equity Shares bought back as an appropriation from General Reserve.

(d) Details of shareholders holding more than 5% shares in the Company

	As at 31st March 2020		As at 31st March 2019	
	No.of Shares	%	No.of Shares	%
Equity shares of ₹ 1 each fully paid				
Meera Ramdas Chandavarkar	33,043,676	19.33	33,624,370	19.28
Sandhya Mohan Chandavarkar Trust	18,702,799	10.94	19,031,473	10.91
Mohan Anand Chandavarkar Trust	18,378,643	10.75	18,701,621	10.72
Leo Advisors Private Limited	15,589,673	9.12	15,863,730	9.10
Virgo Advisors Private Limited	10,393,272	6.08	10,575,918	6.06
Ameya Ashok Chandavarkar	10,358,940	6.06	10,540,983	6.04

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes to the consolidated financial statements

for the year ended March 31, 2020

17 OTHER EQUITY

₹ in lakhs

		As at 31st March 2020	As at 31st March 2019
Capital redemption reserve			
Opening balance		34.30	34.30
Add: Transfer from General reserve on buy back of Equity shares		34.30	-
Closing balance	**(A)**	**68.60**	**34.30**
Capital reserve			
Opening balance		-	-
Add: Cancellation of forfeited Equity Shares		7.86	-
Closing balance	**(B)**	**7.86**	**-**
General reserve			
Opening balance		31,582.96	31,582.96
Less: Premium paid on buy back of Equity shares		(11,970.70)	-
Less: Transfer to Capital redemption reserve on buyback of Equity shares		(34.30)	-
Closing balance	**(C)**	**19,577.96**	**31,582.96**
Retained Earnings			
Opening balance		110,898.89	93,958.74
Add: Profit for the year		23,987.84	16,978.88
Less: Remeasurement losses of defined benefit plans		(273.59)	(38.73)
Less: Dividend on Equity shares (including Dividend distribution tax)		(1,370.45)	-
Less: Expenses relating to buyback of Equity Shares*		(107.31)	-
Add: Excess DDT paid adjusted against oustanding demand		38.15	-
Closing balance	**(D)**	**133,173.53**	**110,898.89**
Foreign currency translation reserve (Other comprehensive income)			
Opening balance		250.74	227.91
Add: Movement during the year		31.76	22.83
Closing balance	**(E)**	**282.50**	**250.74**
FTVOCI reserve (Other comprehensive income)			
Opening balance		4.82	55.22
Less: Net loss on equity shares carried at fair value through OCI		(82.04)	(50.40)
Closing balance	**(F)**	**(77.22)**	**4.82**
	Total (A+B+C+D+E+F)	**153,033.23**	**142,771.71**

* Refer note 16

Nature and purpose of Reserves

(a) Capital redemption reserve

As per Companies Act, 2013, Capital redemption reserve is created when Company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to Capital redemption reserve.

(b) Capital reserve

As per Companies Act, 2013, Capital redemption reserve is created when Company cancelled its own shares.

Notes to the consolidated financial statements

for the year ended March 31, 2020

(c) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(d) General reserve

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 transfer from one component of equity to another and is not item of Other comprehensive income.

(e) Retained earnings

Retained earnings are the profits/ (losses) that the Company has earned till date, less any transfer to General reserve, dividends or other distribution paid to shareholders.

(f) Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in Other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

(g) Other comprehensive income

The Company has elected to recognise changes in the fair value of investments in equity instruments in other comprehensive income. These changes are accumulated within the FVTOCI equity investments within equity. The balance in other comprehensive income is transferred retained earnings on disposal of the investment.

18 BORROWINGS

₹ in lakhs

	Non-current	
	As at 31st March 2020	As at 31st March 2019
Deferred sales tax loans (unsecured) (Refer note below)	49.01	60.45
Less: Amount disclosed under "Other financial liabilities" (Refer note 23)	14.65	11.44
	34.36	**49.01**

Note: Under various schemes of Government of Maharashtra, the Parent Company was entitled to interest free Sales tax deferral incentives for its units at Waluj and Sinnar. These are repayable in annual instalments over a period of 9-13 years commencing after a period of 10 - 12 years from the year of availment of deferred sales tax loan.

19 LEASE LIABILITIES

₹ in lakhs

	Non-current	
	As at 31st March 2020	As at 31st March 2019
Lease liabilities	1,458.66	-
Less: Amount disclosed under "other financial liabilities" (Refer note 23)	529.97	-
	928.69	**-**

20 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

	Non-current	
	As at 31st March 2020	As at 31st March 2019
Equalisation of lease rent	-	138.60
	-	**138.60**

Notes to the consolidated financial statements

for the year ended March 31, 2020

21 DEFERRED TAX LIABILITIES (NET)

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Deferred tax liability		
Depreciation	**1,601.92**	**2,332.60**
Less: Deferred tax asset		
Provision for doubtful debts/ advances	34.62	51.75
Provision for impairment of receivables from FDC SA (Pty) Ltd.	117.88	138.76
Liabilities disallowed under Section 43B of the IT Act, 1961	528.79	780.60
Expenses debited in Consolidated Statement of Profit and Loss but allowed for tax purpose in the following year	-	28.99
	681.29	**1,000.10**
Net deferred tax liability	**920.63**	**1,332.50**

22 TRADE PAYABLES

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Total outstanding dues of Micro and small enterprises	1,810.68	1,188.21
Total outstanding dues of creditors other than Micro and small enterprises	9,975.05	6,573.18
	11,785.73	**7,761.39**

Note :

(A) Disclosure under the Micro, Small and Medium enterprises Development Act, 2006 is provided as under for the year 2019-20, to the extent the Company has received intimation from the ""Suppliers" regarding their status under the Act:

₹ in lakhs

		As at 31st March 2020	As at 31st March 2019
(a)	The principal amount remaining unpaid to any supplier due at end of each accounting year	111.04	39.17
(b)	The interest due on the amount remaining unpaid to any supplier at end of each accounting year	4.74	1.09
(c)	The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(d)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(e)	The amount of interest accrued and remaining unpaid at the end of the year	4.74	1.09
(f)	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.	-	-

The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status its suppliers.

Notes to the consolidated financial statements

for the year ended March 31, 2020

(B) Terms and conditions of the creditors other than Micro and small enterprises:
Trade Payables are non interest bearing and are normally settled on 30-360 days terms.

23 OTHER FINANCIAL LIABILITIES

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Other financial liabilities carried at amortised cost		
Current maturities of long-term borrowings (Refer note 18)	14.65	11.44
Current maturities of finance lease obligation (Refer note 19)	529.97	-
Unpaid dividend (Refer note below)	215.41	108.23
Sundry deposits	1,238.42	1,149.92
Employee benefit payable	3,963.89	3,219.23
Due to directors	716.41	416.57
Equalisation of lease rent	-	13.50
Book overdraft	-	12.49
Other payables (includes disputed liabilities, trade advances, etc.)	657.98	588.54
	7,336.73	**5,519.92**

Note: There are no amounts due and outstanding to be credited to Investor Education and Protection Fund. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund.

24 OTHER CURRENT LIABILITIES

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Advance from customers	269.79	201.77
Statutory dues payable	369.95	445.66
Payables towards FDC SA (Refer note 49)	30.02	-
	669.76	**647.43**

25 PROVISIONS

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
For Employee benefits (Refer note 44)	1,713.27	1,010.01
For Others	1,710.58	1,504.25
	3,423.85	**2,514.26**

₹ in lakhs

	Gratuity benefits	Compensated absences	Sales returns	Total
Balance as on 1st April 2019	(91.27)	1,101.28	1,504.25	2,514.26
Provision made during the year	202.01	370.01	2,266.38	2,838.40
Remeasurement losses of defined benefit plans	365.60	-	-	365.60
Provision utilised during the year	(3.68)	(230.68)	(2,060.05)	(2,294.41)
Balance as on 31st March 2020	**472.66**	**1,240.61**	**1,710.58**	**3,423.85**
Current	**472.66**	**1,240.61**	**1,678.18**	**3,391.45**
Non-current	**-**	**-**	**32.40**	**32.40**

Notes to the consolidated financial statements

for the year ended March 31, 2020

₹ in lakhs

	Gratuity benefits	Compensated absences	Sales returns	Total
Balance as on 1st April 2018	325.13	977.81	1,490.00	2,792.94
Provision made during the year	214.07	369.53	1,558.47	2,142.07
Remeasurement losses of defined benefit plans	59.53	-	-	59.53
Provision utilised during the year	(690.00)	(246.06)	(1,544.22)	(2,480.28)
Balance as on 31st March 2019	**(91.27)**	**1,101.28**	**1,504.25**	**2,514.26**
Current	**(91.27)**	**1,101.28**	**1,465.25**	**2,475.26**
Non-current	**-**	**-**	**39.00**	**39.00**

26 CURRENT TAX LIABILITIES (NET)

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Tax payable [Net of Income tax paid - ₹ 31,827.79 lakhs (Previous year - ₹ 31,837.71 lakhs)]	1,450.20	1,501.75
	1,450.20	**1,501.75**

Income tax expense recognised in Consolidated Statement of Profit and Loss

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Current tax		
Current tax on profits for the year	8,419.45	6,868.39
Deferred tax	(411.87)	(183.73)
	8,007.58	**6,684.66**

Income tax expense recognised in Other comprehensive income

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Tax on remeasurement losses on defined benefit plans	92.01	20.80
	92.01	**20.80**

Income tax expense reconciliation

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Profit before tax	31,995.42	23,663.54
Applicable tax rate	25.168%	34.944%
Tax as per applicable tax rate of parent company in India	8,052.61	8,268.99
Share of loss of joint venture	101.28	205.68
Tax on income not considered for tax purpose	708.72	(584.49)
Tax effect on exempt income	(850.94)	(475.78)
Tax incentives	(108.49)	(623.79)
Tax on additional allowances for capital (gain)/ loss	296.49	(120.82)
Tax impact of change in rates on opening deferred tax liability	(372.78)	-
Others (net)	3.96	23.92
Effect of tax rate of foreign subsidiaries (net)	176.73	(9.05)
Income tax expense charged to the Consolidated Statement of Profit and Loss	**8,007.58**	**6,684.66**

Notes to the consolidated financial statements

for the year ended March 31, 2020

Deferred tax income recognised in Consolidated Statement of Profit and Loss

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Increase/ (decrease) in Deferred tax liability		
Depreciation	(730.68)	(29.77)
	(730.68)	**(29.77)**
Less: Increase/ (decrease) in Deferred tax asset		
Provision for doubtful debts/ advances	(17.13)	5.36
Provision for impairment of receivables from FDC SA (Pty) Ltd.	(20.88)	138.76
Liabilities disallowed under Section 43B of the IT Act, 1961	(251.81)	134.67
Expenses debited in Statement of Profit and Loss but allowed for tax purpose in the following year	(28.99)	(124.83)
	(318.81)	**153.96**
Net deferred tax income recognised in Consolidated Statement of Profit and Loss	**(411.87)**	**(183.73)**

Break-up of financial liabilities carried at amortised cost

₹ in lakhs

	Non-current		Current	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Borrowings (Refer note 18 and 23)	34.36	49.01	14.65	11.44
Lease liabilities (Refer note 19 and note 23)	928.69	-	529.97	-
Trade payables (Refer note 22)	-	-	11,785.73	7,761.39
Other financial liabilities (Refer note 20 and 23)	-	138.60	6,792.11	5,508.48
Total financial liabilities carried at amortised cost	**963.05**	**187.61**	**19,122.46**	**13,281.31**

27 REVENUE FROM OPERATIONS

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Sale of products (Refer note 47)	133,558.62	108,236.61
Other operating revenue (Refer note 47)	860.50	833.14
	134,419.12	**109,069.75**
Other operating revenue		
Export incentive	677.20	580.71
Other miscellaneous receipts	183.30	252.43
	860.50	**833.14**

Notes to the consolidated financial statements

for the year ended March 31, 2020

28 OTHER INCOME

₹ in lakhs

		For the year ended 31st March 2020	For the year ended 31st March 2019
a)	**Interest income on financial asset carried at amortised cost**		
	Current investments	41.44	17.73
	Non-current investments	632.36	307.12
	Others (Refer note below)	93.91	219.39
b)	**Dividend Income on**		
	Current investments	3,271.52	1,248.43
	Non-current investments	1.75	1.87
c)	**Others**		
	Net gain on sale of investments	-	345.74
	Fair value gain on financial instruments at fair value through profit or loss	-	1,672.64
	Net exchange gain on foreign currency transactions	638.44	236.63
	Net gain on disposal of property, plant and equipment	1,767.13	21.44
	Other non operating income (Includes rental income, miscellaneous provisions written back)	443.21	275.85
		6,889.76	**4,346.84**

Note: Interest on others includes interest on inter corporate deposits, fixed deposits, interest on income tax refunds, interest on delayed payments from debtors etc.

29 COST OF MATERIALS CONSUMED

(Raw materials and Packing materials)

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Inventory at the beginning of the year	5,807.93	6,692.60
Add: Purchases	37,974.82	29,112.69
	43,782.75	**35,805.29**
Less: Inventory at the end of the year	9,944.83	5,807.93
	33,837.92	**29,997.36**

Notes to the consolidated financial statements

for the year ended March 31, 2020

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

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Inventory at the end of the year		
Finished goods	7,778.76	7,966.28
Stock in trade	1,620.31	1,435.38
Work-in-progress	1,652.44	2,169.30
	11,051.51	**11,570.96**
Inventory at the beginning of the year		
Finished goods	7,966.28	6,172.41
Stock in trade	1,435.38	1,302.43
Work-in-progress	2,169.30	1,881.42
	11,570.96	**9,356.26**
	519.45	**(2,214.70)**
Changes in Inventories		
Finished goods	187.52	(1,793.87)
Stock in trade	(184.93)	(132.95)
Work-in-progress	516.86	(287.88)
	519.45	**(2,214.70)**

31 EMPLOYEE BENEFITS EXPENSE

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Salaries, wages and bonus (Refer note 44)	25,184.27	20,523.50
Contribution to provident and other funds (Refer note 43 and 44)	1,734.88	1,530.76
Staff welfare expenses	828.69	503.19
	27,747.84	**22,557.45**

32 FINANCE COSTS

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest expense	301.70	108.01
Bank charges	39.92	35.82
	341.62	**143.83**

33 DEPRECIATION AND AMORTISATION EXPENSE

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Depreciation on property, plant and equipment and right-of-use assets	3,546.68	3,152.05
Amortisation of intangible assets	199.21	171.83
	3,745.89	**3,323.88**

Notes to the consolidated financial statements

for the year ended March 31, 2020

34 OTHER EXPENSES

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Processing charges	1,378.75	1,292.12
Power, fuel and water charges	2,739.68	2,461.31
Repairs and maintenance		
Building	384.96	663.93
Plant and machinery	690.47	714.85
Others	1,042.10	1,075.70
Labour contract expenses	1,512.57	1,253.08
Stores and spares	1,104.82	1,225.42
Pharma Miscellaneous expenses	2,212.22	1,880.96
Rent (including lease rent) (Refer note 48)	1.51	543.72
Rates and taxes	112.60	96.83
Insurance	257.08	208.73
Travelling and conveyance	4,158.99	4,281.29
Communication expenses	257.00	233.52
Carriage, freight and forwarding	2,740.66	2,402.52
Advertisement and sales promotion	1,535.24	1,654.68
Publicity expenses	4,144.74	2,961.14
Sales tax/ Value added tax/ GST paid	275.18	177.46
Commission	774.48	696.12
Auditor's remuneration		
As audit fee	40.00	34.00
For other services	9.17	7.03
Out of pocket expenses	4.31	2.62
Legal and Professional charges	960.42	532.03
Directors sitting fees	5.20	5.70
Allowances for credit loss	5.43	16.01
Provision for financial instruments	1,500.00	-
Donation	25.51	21.43
CSR Expenditure (Refer note 51)	537.49	207.17
Loss on sale of investments (net)	1,178.04	-
Fair value loss on financial instruments	1,315.95	-
Miscellaneous expenses	3,899.33	4,247.44
	34,803.90	**28,896.81**

35 EARNING PER SHARE (EPS)

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Profit for the year (₹ in lakhs)	23,987.84	16,978.88
Weighted average number of shares	172,044,372	174,403,084
Nominal value per share (₹)	1.00	1.00
Earning per share - Basic (₹)	13.94	9.74
- Diluted (₹)	13.94	9.74

Notes to the consolidated financial statements

for the year ended March 31, 2020

36 COMPONENTS OF OTHER COMPREHENSIVE INCOME

During the year ended 31st March 2020

₹ in lakhs

	Retained Earnings	FVTOCI reserve	Foreign currency translation reserve	Total
Remeasurement losses of defined benefit plans	(365.60)	-	-	(365.60)
Tax on remeasurement losses of defined benefit plans	92.01	-	-	92.01
Loss on FVTOCI financial assets (net)	-	(82.04)	-	(82.04)
Exchange differences in translating financial statements of foreign operations	-	-	31.76	31.76
	(273.59)	**(82.04)**	**31.76**	**(323.87)**

During the year ended 31st March 2019

₹ in lakhs

	Retained Earnings	FVTOCI reserve	Foreign currency translation reserve	Total
Remeasurement losses of defined benefit plans	(59.53)	-	-	(59.53)
Tax on remeasurement losses of defined benefit plans	20.80	-	-	20.80
Loss on FVTOCI financial assets (net)	-	(50.40)	-	(50.40)
Exchange differences in translating financial statements of foreign operations	-	-	22.83	22.83
	(38.73)	**(50.40)**	**22.83**	**(66.30)**

37 DIVIDEND DISTRIBUTION PAID

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
The following dividends on Equity shares were declared and paid by the Parent Company during the year:		
Interim dividend for the year ended 31st March 2020 - 0.80 per equity share (previous year- Nil per equity share)	1,367.78	-
Tax on interim dividend	2.67	-
	1,370.45	**-**

38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES :

Risk Management is an integral part of the Group's plans and operations. While the Group has a proven ability to successfully take on challenges, the efforts are to become even more proactive in recognising and managing risks, through an organised framework. The Group recognises risk management as an integral component of good corporate governance and fundamental in achieving it's strategic and operational objectives.

The Group, through its Board of Directors, has constituted a Risk Management Committee, consisting of majority of Board members. The Board has defined the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the Risk Management plan, to the Committee, and such other functions as it may deem fit.

Notes to the consolidated financial statements

for the year ended March 31, 2020

Market Risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include deposits, FVTOCI investments and FVTPL investments.

The Group has designed risk management framework to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

Interest rate risk :

Interest rate risk is the loss of fair value of future earnings of financial instruments because of changes in market interest rates. Investment committee manages and constantly reviews the interest rate movements in the market in order to optimise the Group's interest income. The Group does not have any exposure to any interest bearing debt instruments.

Foreign Currency Risk :

Foreign currency risk is the loss of fair value of future earnings of financial instruments because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

Foreign currency sensitivity

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

₹ in lakhs

	Change in USD rate	Effect on Profit before tax	Effect on Equity
31st March 2020	**+1%**	**57.78**	**43.24**
	-1%	**(57.78)**	**(43.24)**
31st March 2019	+1%	36.58	23.92
	-1%	(36.58)	(23.92)

Credit Risk :

Credit risk is the risk of possible default by the counter party resulting in a financial loss. The Group manages its credit risk through various internal policies and procedure set forth for effective control over credit exposure. Major credit risk at the reporting date is from trade receivables. Trade receivables are managed by way of setting various parameters like credit limit, evaluation of financial condition before supply, supply terms, industry trends, ageing analysis.

Liquidity Risk:

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities.

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

₹ in lakhs

	As at 31st March 2020			As at 31st March 2019		
	Less than 1 year	More than 1 year	Total	No. of Shares	More than 1 year	Total
Trade payables	11,785.73	-	11,785.73	7,761.39	-	7,761.39
Borrowings	14.65	34.36	49.01	11.44	49.01	60.45
Lease Liabilities	529.97	928.69	1,458.66	-	-	-
Other Financial Liabilities	6,792.11	-	6,792.11	5,508.48	138.60	5,647.08

Notes to the consolidated financial statements

for the year ended March 31, 2020

39 FINANCIAL INSTRUMENTS

Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

The carrying value and fair value of financial instruments by categories as at the balance sheet date were as follows:

₹ in lakhs

	Carrying Value		Fair Value	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Financial assets:				
FVTOCI financial investments	73.27	155.31	73.27	155.31
FVTPL financial investments	57,548.90	50,713.60	57,548.90	50,713.60
Total	**57,622.17**	**50,868.91**	**57,622.17**	**50,868.91**

The management assessed that cash and cash equivalents, trade receivables, loans, trade payables, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of quoted equity instruments are derived from quoted market prices in active markets.

Reconciliation of fair value measurement of equity shares classified as FVTOCI assets:

	Total ₹ in lakhs
As at 1st April 2018	55.22
Re-measurement recognised in OCI	(50.40)
As at 31st March 2019	4.82
Re-measurement recognised in OCI	(82.04)
As at 31st March 2020	**(77.22)**

Fair Value hierarchy

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

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly unobservable.

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The following table represents the fair value hierarchy of Financial assets measured at fair value as at 31st March 2020:

₹ in lakhs

Financial assets	As at 31st March 2020	Fair Value measurement at end of reporting period		
		Level 1	Level 2	Level 3
Investments				
Mutual Funds	57,145.50	57,145.50	-	-
Non-Convertible debentures	403.40	-	403.40	-
Quoted equity Instruments	72.64	72.64	-	-
Unquoted equity Instruments	0.63	-	-	0.63
Total	**57,622.17**	**57,218.14**	**403.40**	**0.63**

The following table represents the fair value hierarchy of Financial assets measured at fair value as at 31st March 2019:

₹ in lakhs

Financial assets	As at 31st March 2019	Fair Value measurement at end of reporting period		
		Level 1	Level 2	Level 3
Investments				
Mutual Funds	50,313.40	50,313.40	-	-
Non-Convertible debentures	400.20	-	400.20	-
Quoted equity Instruments	154.68	154.68	-	-
Unquoted equity Instruments	0.63	-	-	0.63
Total	**50,868.91**	**50,468.08**	**400.20**	**0.63**

There have been no transfers between Level 1 and Level 2 during the period.

40 CAPITAL MANAGEMENT

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31st March 2020 and 31st March 2019.

The Group maintains a strong capital base and the primary objective of Group's capital management is to maximise the shareholder value.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents. Based on this, the Group is debt free and would like to remain debt free.

The Group does not have any interest bearing loans and borrowings in the current year as well as previous year.

Notes to the consolidated financial statements

for the year ended March 31, 2020

41. CONSOLIDATION OF ACCOUNTS:

The list of subsidiary companies and the joint venture company which are included in consolidation are as under:

₹ in lakhs

Name of the Company	Country of Incorporation	Proportion of ownership interest/ voting power
FDC International Limited	United Kingdom	100% (Previous year – 100%)
FDC Inc.	United States of America	100% (Previous year – 100%)
Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.	Republic of South Africa	49% (Previous year – 49%)

42. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):

₹ in lakhs

		As at 31st March 2020	As at 31st March 2019
Contingent Liabilities			
a.	Disputed tax matters		
	Income tax (Appealed by the Company)	1,573.19	926.81
	GST (Appealed by the Company)	4.49	-
	Excise duty (Appealed by the Company)	-	140.21
	Sales Tax (Appealed by the Company)	117.90	120.46
b.	In respect of guarantees given by banks	534.93	348.48
c.	Letter of credit issued by bankers	254.02	67.64
d.	Estimated amount of duty payable on export obligation against outstanding advance licences	62.26	31.59
e.	During the year 2013-14, the Parent Company had received notices of demand (including interest) from the National Pharmaceutical Pricing Authority, Government of India on account of alleged overcharging in respect of certain formulations under the Drug (Prices Control) Order, 1995. The Parent Company had filed writ petition before the Hon'ble Supreme Court of India for stay of demand and other matters. The Hon'ble Supreme Court then passed order restraining the Government from taking any coercive action against the Parent Company. The said writ petition was disposed of in July 2016 with a liberty to the writ petitioners to approach the appropriate High Courts for relief, challenging the impugned demand notice issued by Union of India. The Parent Company has filed a writ petition with Delhi High Court in August 2016 for which the Company has deposited 50% of overcharged amount with NPPA.The Company has also simultaneously filed revision petition with NPPA, hence, no provision is considered necessary in respect of the amount majorly being the interest component.	575.02	559.29
Commitments			
Estimated amount of capital contracts remaining to be executed and not provided for (net of advances paid)		1,156.36	894.59

Note:

The Parent Company's pending litigations comprise of proceedings pending with Income Tax, Excise, Sales Tax Authorities, GST Authorities and National Pharmaceutical Pricing Authority of India. The Parent Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its consolidated financial statements. The Parent Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements. In respect of litigations, where the management assessment of a financial outflow is probable, the Company has made a provision of ₹ 2,250.00 lakhs as at 31st March 2020 (Previous year – ₹ 2,250.00 lakhs).

Notes to the consolidated financial statements

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43. CONTRIBUTION TO PROVIDENT FUND AS PER SUPREME COURT JUDGMENT

The proposed Social Security Code, 2019, when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act and amend the definition of wages on which the organisation and its employees are to contribute towards Provident Fund. The Parent Company believes that there will be no significant impact on its contributions to Provident Fund due to the proposed amendments. Additionally, there is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Hon. Supreme Court vide its ruling in February 2019, in relation to the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. The Parent Company will evaluate its position and act, as clarity emerges.

44. DISCLOSURE OF EMPLOYEE BENEFITS:

As per Ind AS 19 - "Employee Benefits", the disclosures as required by the Accounting Standard are given below:

Defined Contribution Plan

Contributions to Defined Contribution Plans are recognised as an expense for the year under Contribution to provident and other funds (Refer note 30) as under:

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Employer's Contribution to Provident Fund	531.91	425.90
Employer's Contribution to Pension Scheme	620.03	452.65
Employer's Contribution to Superannuation Fund	74.03	67.91

Defined Benefit Plan

The employees' gratuity fund scheme managed by trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The Company irrevocably contributes funds to a separate Gratuity Trust which is recognised by Income tax authorities.

₹ in lakhs

		Gratuity	
		Funded Plan	
		As at 31st March 2020	As at 31st March 2019
I.	**Change in Benefit Obligation**		
	Liability at the beginning of the year	2,173.29	1,914.93
	Interest Cost	151.26	137.49
	Current Service Cost	208.36	190.73
	Past Service Cost	-	-
	Benefit Paid	(238.09)	(159.54)
	Actuarial (gain)/ loss arising from changes in demographic assumptions	-	(24.95)
	Actuarial (gain)/ loss arising from changes in financial assumptions	155.87	112.55
	Actuarial (gain)/ loss arising from changes in experience adjustments	225.58	2.08
	Liability at the end of the year	**2,676.27**	**2,173.29**

Notes to the consolidated financial statements

for the year ended March 31, 2020

₹ in lakhs

		Gratuity	
		Funded Plan	
		As at 31st March 2020	**As at 31st March 2019**
II.	**Fair Value of Plan Assets**		
	Fair Value of Plan Assets at the beginning of the year	2,264.56	1,589.80
	Interest income	157.61	114.15
	Contributions	3.68	690.00
	Benefit Paid	(238.09)	(159.54)
	Return on plan assets, Excluding interest income	15.85	30.15
	Fair Value of Plan Assets at the end of the year	**2,203.61**	**2,264.56**
III.	**Amount recognised in the Consolidated Balance Sheet**		
	Liability at the end of the year	(2,676.27)	(2,173.29)
	Fair Value of Plan Assets at the end of the year	2,203.61	2,264.56
	Amount recognised in the Consolidated Balance Sheet	**(472.66)**	**91.27**
IV.	**Net Interest Cost for Current Period**		
	Interest Cost	151.26	137.49
	Interest Income	(157.61)	(114.15)
	Net Interest Cost for Current Period	**(6.35)**	**23.34**
V.	**Expense recognised in the Consolidated Statement of Profit and Loss**		
	Current Service Cost	208.36	190.73
	Net Interest Cost for current period	(6.35)	23.34
	Past Service Cost	-	-
	Expense recognised in the Consolidated Statement of Profit and Loss	**202.01**	**214.07**
VI.	**Expense recognised in the Consolidated Other Comprehensive Income (OCI)**		
	Actuarial (gain)/ loss on Obligations for the period	381.45	89.68
	Return on Plan Assets excluding Interest Income	(15.85)	(30.15)
	Net Expense recognised in the Consolidated OCI	**365.60**	**59.53**
VII.	**Investment Details**		
	Government of India Assets	112.27	112.27
	Corporate Bonds	-	15.00
	Public Sector Bonds	579.74	619.92
	State Government	1,257.22	1,299.30
	Equity	166.87	166.87
	Others	87.51	51.20
	Total	**2,203.61**	**2,264.56**

Notes to the consolidated financial statements

for the year ended March 31, 2020

₹ in lakhs

		Gratuity	
		Funded Plan	
		As at 31st March 2020	As at 31st March 2019
VIII.	**Actuarial Assumptions**		
	Discount Rate Current	5.76%	6.96%
	Rate of Return on Plan Assets Current	5.76%	6.96%
	Employee Attrition rate - Field	20% to 40%	20% to 40%
	Employee Attrition rate - Others	10% to 30%	10% to 30%
	Salary Escalation Current	8.00%	8.00%
IX.	**Maturity Analysis of Projected Benefit Obligation from the Fund**		
	Projected Benefits payable in future years from the date of reporting:		
	Within the next 12 months	379.05	376.34
	Between 2 and 5 years	1,229.86	1,001.00
	Sum of 6 to 10 years	1,099.37	960.24
	Sum of 11 years and above	1,122.72	921.26
X.	**Sensitivity Analysis for significant assumptions**		
	Benefit Obligation as at the end of the year	2,676.27	2,173.29
	Increase/ (decrease) in Present Value of Benefit Obligation as at the end of the year:		
	Effect of +1% change in Rate of Discounting	(131.25)	(97.22)
	Effect of -1% change in Rate of Discounting	146.55	107.68
	Effect of +1% change in Rate of Salary Increase	134.42	99.23
	Effect of -1% change in Rate of Salary Increase	(123.68)	(92.14)
	Effect of +1% change in Rate of Employee Turnover	(22.36)	(9.01)
	Effect of -1% change in Rate of Employee Turnover	24.26	9.55

XI. Salary Escalation Rate

The estimates of future salary increase considered in actuarial valuation is taken on account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

XII. Basis used to determine Rate of Return on Plan Assets

The rate of return on Plan Assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

XIII. The Group expects to contribute ₹ 762.08 lakhs to gratuity in next year (Previous year – ₹ 117.09 lakhs).

The liability for leave encashment as at the year end is ₹ 1,190.41 lakhs (Previous year – ₹ 990.15 lakhs) and provision for sick leave as at the year end is ₹ 131.20 lakhs (Previous year – ₹ 111.13 lakhs).

Notes to the consolidated financial statements

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45. SEGMENT INFORMATION:

Primary segment information

The Group is engaged in pharmaceutical business which as per Ind AS 108 - "Operating Segments" is considered the only business segment.

Secondary segment information

The principal geographical areas in which the Group operates are India and others. The country-wise segmentation is not relevant as exports to individual countries are not more than 10% of enterprise revenue.

The information related to secondary segment is as under:

₹ in lakhs

Particulars		India	Others	Total
Segment Revenue	**2019-2020**	**107,185.60**	**27,233.52**	**134,419.12**
	2018-2019	90,334.14	18,735.61	109,069.75
Carrying amount of Non-Current Assets by location of assets	**31st March 2020**	**69,777.13**	**373.34**	**70,150.47**
	31st March 2019	69,637.82	371.45	70,009.27

Non Current Assets for this purpose consists of Property, plant and equipment, Capital work-in-progress, Other intangible assets and Other non-current assets.

The Group does not have any customer with whom revenue from transactions is more than 10% of Group's total revenue.

46. RELATED PARTY DISCLOSURES, AS REQUIRED BY IND AS 24 - "RELATED PARTY DISCLOSURES" ARE GIVEN BELOW:

Names of related parties where control exists irrespective of whether transactions have occurred or not:

Joint Venture Company

- Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.

Names of other related parties with whom transactions have taken place during the year:

Managerial Personnel

- Mr. Mohan A. Chandavarkar	Managing Director
- Mr. Ashok A. Chandavarkar	Executive Director
- Mr. Nandan M. Chandavarkar	Joint Managing Director
- Mr. Ameya A. Chandavarkar	Executive Director
- Ms. Nomita R. Chandavarkar	Executive Director
- Dr. Rahim H. Muljiani (Resigned w.e.f. 01.04.2019)	Independent Director
- Dr. Satish S. Ugrankar (Resigned w.e.f. 01.04.2019)	Independent Director
- Mr. Vinod G. Yennemadi (Resigned w.e.f. 01.04.2019)	Independent Director
- Ms. Swati S. Mayekar	Independent Director
- Mr. Uday Kumar Gurkar	Chairman and Independent Director
- Dr. Mahesh Bijlani (Appointed w.e.f. 10.05.2019)	Independent Director
- Mr. M. G. Parmeswaran (Appointed w.e.f. 10.05.2019)	Independent Director
- Ms. Usha Chandrashekhar (Appointed w.e.f. 10.05.2019)	Independent Director
- Mr. Sanjay Jain	Chief Financial Officer
- Ms. Varsharani Katre	Company Secretary

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Relatives of Managerial Personnel

- Ms. Sandhya M. Chandavarkar, wife of Mr. Mohan A. Chandavarkar
- Ms. Mangala A. Chandavarkar, wife of Mr. Ashok A. Chandavarkar
- Ms. Meera R. Chandavarkar, mother of Ms. Nomita R. Chandavarkar
- Ms. Aditi C. Bhanot, daughter of Mr. Ashok A. Chandavarkar

Enterprises owned or significantly influenced by Managerial Personnel or their relatives

- Anand Chandavarkar Foundation
- Leo Advisors Private Limited
- Virgo Advisors Private Limited
- SFA Events Private Limited
- Shree Trust

Post-employment benefit plans:

- FDC Employees Gratuity Fund
- FDC Employees Superannuation Fund

Nature of transactions:

₹ in lakhs

		For the year ended 31st March 2020	For the year ended 31st March 2019
1	**Interest income**		
	Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.	22.94	16.12
2	**Donation paid**		
	Anand Chandavarkar Foundation	25.00	20.00
3	**Corporate Social Responsibility**		
	Shree Trust	425.00	75.00
4	**Sales Promotional expenses incurred**		
	SFA Events Private Limited	19.79	22.15
5	**Managerial remuneration***		
	Mr. Mohan A. Chandavarkar	355.86	218.95
	Mr. Ashok A. Chandavarkar	196.75	148.75
	Mr. Nandan M. Chandavarkar	272.34	174.68
	Mr. Ameya A. Chandavarkar	179.91	121.16
	Ms. Nomita R. Chandavarkar	78.61	58.79
	Dr. Rahim H. Muljiani	-	3.40
	Dr. Satish S. Ugrankar	-	2.45
	Mr. Vinod G. Yennemadi	-	3.40
	Ms. Swati S. Mayekar	3.55	3.40
	Mr. Uday Kumar Gurkar	3.55	3.05

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for the year ended March 31, 2020

₹ in lakhs

		For the year ended 31st March 2020	For the year ended 31st March 2019
	Dr. Mahesh Bijlani	2.60	-
	Mr. M. G. Parmeswaran	2.75	-
	Ms. Usha A. Chandrashekhar	2.75	-
	Mr. Sanjay Jain	84.53	70.77
	Ms. Varsharani Katre	25.90	23.67
		1,209.10	**832.47**
6	**Dividend on equity shares paid**		
	Mr. Nandan M. Chandavarkar	42.10	-
	Mr. Ameya A. Chandavarkar	82.87	-
	Ms. Nomita R. Chandavarkar	43.93	-
	Ms. Meera R. Chandavarkar	264.35	-
	Ms. Aditi C. Bhanot	9.28	-
	Sandhya Mohan Chandavarkar Trust	149.62	-
	Mohan Anand Chandavarkar Trust	147.03	-
	Leo Advisors Pvt Ltd	124.72	-
	Virgo Advisors Pvt Ltd	83.15	
	Mr. Sanjay Jain	0.01	-
		947.06	**-**
7	**Buyback of Shares**		
	Mr. Nandan M. Chandavarkar	323.66	-
	Mr. Ameya A. Chandavarkar	637.15	-
	Ms. Nomita R. Chandavarkar	337.75	-
	Ms. Meera R. Chandavarkar	2,032.43	-
	Ms. Aditi C. Bhanot	71.32	-
	Sandhya Mohan Chandavarkar Trust	1,150.36	-
	Mohan Anand Chandavarkar Trust	1,130.42	-
	Leo Advisors Pvt Ltd	958.88	-
	Virgo Advisors Pvt Ltd	639.26	-
		7,281.33	**-**
8	**Loan granted**		
	Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.	48.32	86.11

Note : *Including perquisites, contribution to Provident fund and other funds but excludes gratuity and compensated absences as the provision is computed for the Parent Company as a whole and separate figures are not available.

Notes to the consolidated financial statements

for the year ended March 31, 2020

Outstanding amount of Related Parties:

₹ in lakhs

		As at 31st March 2020	As at 31st March 2019
1	**Outstanding balances against loan granted included in Current portion of Financial Assets – Loans**		
	Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.**	* -	* 42.40
2	**Outstanding balances against interest on loan granted included in Current portion of Other Financial Assets**		
	Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.**	* -	50.39
3	**Outstanding Reimbursement of expenses receivable included in Other Current Assets**		
	Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.**	* -	18.42
4	**Outstanding balances payable included in Other Current Liabilities**		
	Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.	30.02	-
5	**Outstanding balances payable included in Other Financial Liabilities**		
	Mr. Mohan A. Chandavarkar	217.29	116.41
	Mr. Ashok A. Chandavarkar	144.34	92.20
	Mr. Nandan M. Chandavarkar	163.34	93.07
	Mr. Ameya A. Chandavarkar	126.82	69.57
	Ms. Nomita R. Chandavarkar	54.62	35.32
	Dr. Rahim H. Muljiani	-	2.00
	Dr. Satish S. Ugrankar	-	2.00
	Mr. Vinod G. Yennemadi	-	2.00
	Ms. Swati S. Mayekar	2.00	2.00
	Mr. Uday Kumar Gurkar	2.00	2.00
	Dr. Mahesh Bijlani	2.00	-
	Mr. M. G. Parmeswaran	2.00	-
	Ms. Usha A. Chandrashekhar	2.00	-
	Mr. Sanjay Jain	3.67	3.30
	Ms. Varsharani Katre	1.53	1.44
		721.61	**421.31**

Terms and conditions of transactions with related parties

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

* The amount shown as "Outstanding balances against loan granted", "Outstanding balances against interest on loan granted" and "outstanding reimbursement of expenses receivable" is after adjusting negative carrying amount of interests in Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd. of ₹ 345.86 lakhs. (Previous year- ₹ 274.60 lakhs)

** For the year ended 31st March 2020, the Group has recorded for impairment of ₹ 71.26 lakhs receivables from Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd. relating to amounts owed by related parties (Previous year – ₹ 111.21 lakhs).

Notes to the consolidated financial statements

for the year ended March 31, 2020

47. DISCLOSURE UNDER IND AS 115 - "REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group is engaged into manufacturing of pharmaceutical products. There is no impact on the Group's revenue on applying Ind AS 115 from the contract with customers.

₹ in lakhs

		For the year ended 31st March 2020	For the year ended 31st March 2019
A)	**Disaggregation of revenue from contracts with customers**		
1)	**Revenue from contracts with customers**		
	Sale of products (transferred at point in time)		
	Domestic Sales		
	Formulation	106,088.69	89,346.97
	Bulk Drugs	283.22	303.14
	Sub total (a)	**106,371.91**	**89,650.11**
	Export Sales		
	Formulation	13,716.43	10,248.30
	Bulk Drugs	4,856.43	5,108.21
		18,572.86	**15,356.51**
	Profit share - Formulation	**8,613.85**	**3,229.99**
	Sub total (b)	**27,186.71**	**18,586.50**
	Total (a + b)	**133,558.62**	**108,236.61**
2)	**Other operating revenue**		
	Export incentives	677.20	580.71
	Other miscellaneous receipts	183.30	252.43
		860.50	**833.14**
	Total Revenue	**134,419.12**	**109,069.75**
B)	**Sales by performance obligations**		
	Upon shipment	8,731.60	8,664.77
	Upon delivery	116,213.17	96,341.85
	Profit share – Formulation	8,613.85	3,229.99
		133,558.62	**108,236.61**
C)	**Reconciliation of revenue from contract with customer**		
	Revenue from contract with customer as per the contract price	137,014.91	110,864.50
	Adjustments made to contract price on account of:		
	a) Discounts/ Rebates/ Incentives/ Late delivery charges	920.80	1,262.50
	b) Sales Returns/ Credits/ Reversals	2,535.49	1,756.77
	Revenue from contract with customer	**133,558.62**	**108,236.61**
	Other operating revenue	**860.50**	**833.14**
	Revenue from operations	**134,419.12**	**109,069.75**

Notes to the consolidated financial statements

for the year ended March 31, 2020

48. DISCLOSURE UNDER IND AS 116 –LEASES

The Group significant leasing arrangements are in respect of godowns/ office premises taken on operating lease basis. These leasing arrangements, which are cancellable, range between 1 year and 5 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. There are certain agreements which provide for increase in rent. There are no subleases. There are no contingent rents.

Effective 1st April, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on A 1st April, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings (₹ Nil), on the date of initial application. Consequently, the Group recorded the lease liability at the present value of the remaining lease payments, discounted using the its incremental borrowing rate at the date of initial application, and the right-of-use asset at an amount equal to the lease liability, adjusted by the accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Comparatives as at and for the year ended 31st March 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 31st March 2019. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. 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 difference between the lease obligation recorded as of 31st March, 2019 under Ind AS 17 disclosed in Annual Report and the value of the lease liability as of 1st April, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

   The interest rate applied to lease liabilities as at 1st April, 2019 is 8.95%.

A) Movement in the lease liabilities

(₹ In lakhs)

	As at 31st March 2020
Balance as on 1st April, 2019	-
Additions	1,883.00
Interest expenses on lease liabilities (Refer note 32)	173.99
Payment of lease liabilities	(598.33)
Balance as on 31st March, 2020	**1,458.66**

Notes to the consolidated financial statements

for the year ended March 31, 2020

B) Maturity analysis of lease liabilities

(₹ In lakhs)

	As at 31st March 2020
Maturity analysis- Contractual undiscounted cash flows	
Within one year	661.92
After one year but not for more than five years	1020.12
More than five year	-
Total undiscounted lease liabilities	**1682.04**
Lease liabilities included in the statement of financial position	
Non- Current	928.69
Current	529.97
Total	**1,458.66**

C) Amount recognised in the Consolidated statement of profit and loss

(₹ In lakhs)

	For the year ended 31st March 2020
Interest on lease liabilities (Refer note 32)	173.99
Depreciation on lease assets	481.14

49. PURSUANT TO THE IND AS 112 – "DISCLOSURE OF INTEREST IN OTHER ENTITIES", THE DISCLOSURES RELATING TO THE JOINT VENTURE COMPANY IS AS FOLLOWS:

Sr. No.	Name	Country of Incorporation	Percentage of Ownership Interest as at 31st March 2020	Percentage of Ownership Interest as at 31st March 2019
1.	Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.	Republic of South Africa	49%	49%

Summarised financial information of the joint venture is given below:

₹ in lakhs

	As at 31st March 2020	As at 31st March 2019
Net Assets	(767.10)	(560.40)
Group's share of Net Assets (49%)	(375.88)	(274.60)
Carrying amount of interests in joint venture	(375.88)	(274.60)

The negative carrying amount of interests in joint venture of ₹ 375.88 lakhs (Previous year- 274.60 lakhs) is adjusted against loan, interest and other receivables given by FDC Limited to joint venture of ₹ 345.86 lakhs (Previous year- 317.00 lakhs) shown as "Loans to related parties" under "Current financial assets" in the Consolidated Balance Sheet.

No contingent liabilities and capital commitments have been incurred as at 31st March 2020 in relation to the Group's interest in the joint venture along with the other venturers (Previous year – ₹ Nil).

Notes to the consolidated financial statements

for the year ended March 31, 2020

₹ in lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Revenue	141.55	305.38
Depreciation and amortisation	4.49	4.99
Interest expense	52.26	35.94
Income tax expense	(30.39)	(3.69)
Profit/ (Loss)	(206.70)	(116.13)
Other Comprehensive Income/ (Loss)	-	(303.62)
Total Comprehensive Income/ (Loss)	(206.70)	(419.75)
Group's share of Profit/ (Loss) (49%)	(101.28)	(56.90)
Group's share of OCI (49%)	-	(148.77)
Group's share of Total Comprehensive Income/ (Loss) (49%)	(101.28)	(205.68)

50. EXCEPTIONAL ITEMS :

The consolidated audited financial statements for the year ended 31st March 2019 includes an impairment loss of ₹ 111.21 lakhs towards investment made, loan given, other receivables from the joint venture, being excess of its carrying amount over the estimated recoverable amount considering the business outlook.

51. AMOUNT SPENT TOWARDS CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES ARE AS UNDER:

a. Gross amount required to be spent by the Company during the year is ₹ 455.79 lakhs (Previous year - ₹ 448.69 lakhs).

b. Amount spent during the year is given hereunder:

₹ in lakhs

Sr. No.	Particulars of Activity	For the year ended 31st March 2020	For the year ended 31st March 2019
(i)	Construction/ acquisition of any asset	-	-
(ii)	On purpose other than (i) above	537.49	207.17
	Total	**537.49**	**207.17**

Notes to the consolidated financial statements

for the year ended March 31, 2020

52. DETAILS OF LOANS, INTER CORPORATE DEPOSITS AND INVESTMENTS AS REQUIRED UNDER SECTION 186(4) OF THE COMPANIES ACT 2013:

₹ in lakhs

Particulars	As at 31st March 2020		As at 31st March 2019	
	Loan Given	Outstanding	Loan Given	Outstanding
Loan given to joint venture for working capital/ business operations				
- Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.* (repayable on demand)	48.32	365.32	86.11	317.00

Investments

Details required under Section 186(4) have been disclosed in note 13 of the consolidated financial statements.

* For the year ended 31st March 2020, the Group has recorded for impairment of loan given to Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd. (Refer note 46 and 49).

53. The Group does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

54. The Group has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Group has recognised tax expenses for the year ended 31st March 2020 and re-measured its deferred tax liability basis the rate prescribed in the said section. Profit for the year is higher by ₹ 357.60 lakhs due to remeasurement of deferred tax liability recognised up to 31st March 2020.

55. In March 2020, the World Health Organization declared COVID -19 to be a pandemic. The Group has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption including remote working, maintaining social distancing, sanitization of work spaces etc. The Group 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. Considering that the Group deals with pharmaceutical drugs that are classified as essentials, there has been minimal disruption with respect to operations including production and distribution activities. The Group also has not experienced any difficulties with respect to market demand, collections or liquidity. 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 Group will continue to closely monitor any material changes to future economic conditions.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

VIKAS R.KASAT
Partner
Membership No : 105317

Place : Mumbai
Date : June 17, 2020

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Place : Mumbai
Date : June 17, 2020

Notes to the consolidated financial statements

for the year ended March 31, 2020

56 ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013 OF ENTERPRISES CONSOLIDATED AS SUBSIDIARIES/ JOINT VENTURE:

₹ in lakhs

Name of the entity	As at 31st March 2020								As at 31st March 2019							
	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income		Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount
Parent																
FDC Limited	99.62%	154,159.85	97.98%	23,501.90	100.00%	(323.87)	97.95%	23,178.03	99.06%	143,161.41	96.07%	16,311.54	100.00%	(66.30)	96.06%	16,245.24
Subsidiaries																
Foreign																
1. FDC International Limited	0.36%	555.21	2.45%	588.46	0.00%	-	2.49%	588.46	0.90%	1,307.91	5.15%	874.23	0.00%	-	5.17%	874.23
2. FDC Inc.	0.04%	57.92	-0.01%	(1.24)	0.00%	-	-0.01%	(1.24)	0.04%	54.28	-0.01%	(1.21)	0.00%	-	-0.01%	(1.21)
Joint Ventures (Accounted as per equity method)																
Foreign																
Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd.	-0.02%	(30.02)	-0.42%	(101.28)	0.00%	-	-0.43%	(101.28)	0.00%	-	-1.21%	(205.68)	0.00%	-	-1.22%	(205.68)
	100.00%	**154,742.96**	**100.00%**	**23,987.84**	**100.00%**	**(323.87)**	**100.00%**	**23,663.97**	**100.00%**	**144,523.60**	**100.00%**	**16,978.88**	**100.00%**	**(66.30)**	**100.00%**	**16,912.58**

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

VIKAS R.KASAT
Partner
Membership No : 105317

Place : Mumbai
Date : June 17, 2020

For and on behalf of the **Board of Directors of FDC Limited**
CIN : L24239MH1940PLC003176

MOHAN A. CHANDAVARKAR
Managing Director
DIN : 00043344

ASHOK A. CHANDAVARKAR
Director
DIN: 00042719

SANJAY JAIN
Chief Financial Officer
Membership No : 110009

VARSHARANI KATRE
Company Secretary
Membership No: 8948

Place : Mumbai
Date : June 17, 2020

Notes

FDC Limited

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