



## indoco remedies limited

INDOCO HOUSE, 166 C. S. T. ROAD, SANTACURZ (EAST), MUMBAI -400 098 (INDIA) • Website : [www.indoco.com](http://www.indoco.com)  
PHONES : (91-22) 6287 1000 / 3386 1250 • CIN : L85190MH1947PLC005913 • GSTIN : 27AACIO380C1Z3

September 01, 2020

To The Manager Listing Department <b>National Stock Exchange of India Limited</b> 'Exchange Plaza', C - 1, Block G, Bandra-Kurla Complex, <u>Bandra (E), Mumbai 400051.</u> Scrip Code: INDOCO	To <b>BSE Limited</b> Corporate Relationship Department 1 <sup>st</sup> Floor, New Trading Ring, Phiroze Jeejeebhoy Towers Dalal Street <u>Mumbai 400001</u> Scrip Code : 532612
---	---

Dear Sir,

**Sub: Notice of 73<sup>rd</sup> Annual General Meeting and Annual Report 2019-20.**

The 73<sup>rd</sup> Annual General Meeting (AGM) of the Company will be held on Thursday, September 24, 2020 at 10.30 a.m. by Video Conferencing / Other Audio Visual Means.

Pursuant to Regulation 30 and 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith Notice of 73<sup>rd</sup> AGM and Annual Report for the financial year 2019-20 which are also being sent through electronic mode to those Members whose email addresses are registered with the Company / Registrar & Transfer Agent or Depositories.

The Notice of 73<sup>rd</sup> AGM and Annual Report 2019-20 are also available on the website of the Company at [www.indoco.com](http://www.indoco.com).

This is for your information and records.

Thanking you,

Yours faithfully,

**For Indoco Remedies Limited**

Jayshank  
ar Menon  
Digitally signed  
by Jayshankar  
Menon  
Date: 2020.09.01  
08:28:16 +05'30'

**Jayshankar Menon**  
**Company Secretary**

Encl : a./a

## INDOCO REMEDIES LIMITED

[CIN: L85190MH1947PLC005913]

Registered Office: Indoco House, 166 CST Road, Kalina, Santacruz (E), Mumbai 400 098

Tel: 022-68321400 / email: compliance.officer@indoco.com / Website: www.indoco.com

### Notice

Notice is hereby given that the **Seventy Third** Annual General Meeting of the members of **INDOCO REMEDIES LIMITED** will be held on **Thursday, September 24, 2020, at 10.30 a.m.** IST through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt;
  - (a) The audited financial statements of the Company for the financial year ended March 31, 2020 and the Reports of the Board of Directors and the Auditors thereon;
  - (b) The audited consolidated financial statements of the Company for the financial year ended March 31, 2020 and the Report of the Auditors thereon.
2. To declare a dividend on Equity Shares for the year ended March 31, 2020.
3. To appoint a Director in place of Ms. Aditi Panandikar (DIN 00179113), who retires by rotation and being eligible, offers herself for re-appointment.

#### **SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

**"RESOLVED THAT** Dr. (Ms.) Vasudha V Kamat (DIN: 07500096), who was appointed by the Board of Directors as an Additional Director of the Company with effect from March 27, 2020, under Section 161(1) of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment (s) thereof for the time being in force), who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying the intention to propose the candidature of Dr. (Ms.) Vasudha V Kamat (DIN: 07500096) for the office of Director, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), Dr. (Ms.) Vasudha V Kamat (DIN: 07500096), a Non-Executive Director of the Company, who has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Companies Act, and who is eligible for appointment as an Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of Five years with effect from September 24, 2020."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution 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 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021, be paid the remuneration of ₹ 1,80,000 per annum plus out of pocket expenses plus applicable taxes that may be incurred during the course of audit”

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such steps as may be necessary proper or expedient to give effect to this resolution

Place: Mumbai.

Date: June 24, 2020

By Order of the Board  
**JAYSHANKAR MENON**  
*Company Secretary*

**Notes:**

1. Due to the Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
3. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company’s website [www.indoco.com](http://www.indoco.com) and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.
4. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
5. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
6. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization should be uploaded on <https://instavote.linkintime.co.in>
7. The Statement setting out the material facts relating to Special Business at the meeting pursuant to section 102 of the Companies Act, 2013 is annexed hereto.

8. As required by Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 a brief profile of Director seeking re-appointment at ensuing Annual General Meeting is given.
9. At the Seventieth AGM held on August 9, 2017 the Members approved appointment of M/S Gokhale & Sathe (Firm Registration No. 103264W), as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the Seventy Fifth AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the Seventy Third AGM.
10. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, September 22, 2020 to Thursday, September 24, 2020 (both days inclusive) for the purpose of determining the names of members eligible for dividend on Equity Shares if declared, at the meeting.
11. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ Link Intime (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to address [indocotaxexemption@linkintime.co.in](mailto:indocotaxexemption@linkintime.co.in) by 11:59 p.m. IST on September 22, 2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

12. The dividend for the year ended March 31, 2020 as recommended by the Board and if sanctioned at the Annual General Meeting, will be paid subject to deduction of Tax at Source to those members whose names appear on the Company's Register of Members on September 24, 2020. In respect of shares held in demat form, the dividend will be paid to the beneficial owners of shares as per details furnished by the Depositories for the purpose. The dividend will be paid on and from September 29, 2020.
13. Pursuant to Section 124 of the Companies Act, 2013, the Company has transferred on due dates the unpaid or unclaimed dividends for the financial Year 2011-12 (Final dividend) to Investor Education and Protection Fund (the IEPF) established by the Central Government.

Pursuant to provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016, the Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on March 31, 2019 on the website of the Company ([www.indoco.com](http://www.indoco.com)) as also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in)).

Dividends for the financial year **2012-2013** and thereafter, which remain unpaid or unclaimed for a period of 7 years from the date they became due for payment will be transferred by the Company to IEPF. Members who have not yet encashed their dividend warrants for financial year **2012-13** onwards and seek revalidation of their warrants are requested to write to the Company / Company's Registrars without any delay.

14. Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs (MCA) vide its Notification dated 05.09.2016 and as amended on 28.02.2017, (The Rules) the Company has transferred 56,018 shares in the name of Investor Education and Protection Fund (IEPS) Suspense Account in respect of which dividend has not been paid or claimed by the Shareholders for seven consecutive years or more. The Company has uploaded the details of shares so transferred on the website of the Company ([www.indoco.com](http://www.indoco.com)) as also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in)).
15. Members holding shares in Demat (electronic) account are requested to notify changes, if any, in their address, e-mail address, bank mandate, etc., to their respective Depository Participants (DPs). Members holding shares in physical form are requested to intimate the changes to the Company / Company's Registrars.
  - (a) In order to provide protection against fraudulent encashment of dividend warrants, members who hold shares in physical form are requested to intimate to the Company / Company's Registrars the following information to be incorporated on the dividend warrants, duly signed by the sole or first joint holder:
    - (i) Name of the Sole/First joint holder and the Folio Number
    - (ii) Particulars of Bank Account, viz:
      - Name of the Bank
      - Complete address of the Bank with Pin Code number
      - Account type whether Saving or Current
      - Bank Account Number
      - MICR Code:
      - IFSC Code:
  - (b) Members holding shares in demat form may please note that their Bank account details, as furnished by their Depositories to the Company, shall be printed on their Dividend Warrants as per the applicable regulation of the Depositories and the Company shall not entertain any direct request from the members for deletion of or change in Bank account details. Further, instructions, if any, already given by them in respect of shares held in physical form shall not be automatically applicable to shares held in demat form. Members who wish to change their bank details or particulars are requested to contact their Depository Participants.
  - (c) To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided facility to the members for remittance through NEFT/RTGS. Members holding shares in physical form and desirous of availing the facility are requested to contact the Company / Company's Registrars.
16. Facility of nomination is now available and members are requested to make use of the same by contacting the Company / Company's Registrars in case of physical holding and DPs in case of demat holdings.
17. For any assistance or information about shares, dividend, etc., members may contact the Company / Company's Registrars.
18. Members are requested to quote their Folio Number / Demat Account Number and contact details such as email address, contact number and complete address in all correspondence with the Company or its Registrars.

19. Members who hold shares in multiple folios and in identical names are requested to contact the Company / Company's Registrars for consolidating their holdings into a single folio.
20. Member desirous of getting any information, on the accounts and operations of the Company, may please forward their queries to the Company at least seven days prior to the Meeting so as to enable the Company to provide appropriate response thereto at the Meeting.
21. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are having demat accounts. Members holding shares in physical form are requested to submit PAN details to the Company / Registrar.
22. All documents referred to in the Notice along with the Statutory Registers maintained by the Company as per the Act will be available for inspection in electronic mode upto the date of the AGM of the Company and will also be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send an email to [compliance.officer@indoco.com](mailto:compliance.officer@indoco.com)
23. Details of Directors seeking appointment /reappointment in the Annual General Meeting scheduled on Thursday, September 24, 2020 pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Name of Director	<b>Ms. Aditi Panandikar</b>	<b>Dr. (Ms) Vasudha Vasant Kamat</b>
Date of Birth	January 22, 1970	June 26, 1952
Date of Appointment	February 15, 2017	March 27, 2020
Expertise in Specific Functional area	Business Development, Human Resources and Marketing Functions	Contribution in the field of Educational Technology and Information and Communication Technology (ICT) in Education. Former Vice-Chancellor of SNDT Women's University.
Qualification	B. Pharm, Masters in Business Management, Ohio State University	B.Sc. (Chemistry), M.A. (Sociology), Bachelor's and Master's degree in Education and a Doctoral degree in Philosophy (Arts)
Board Membership of other Public Companies as on March 31, 2020	Nil	Nil
Chairman / Member of the Committee of the Board of Directors of the Company as on March 31, 2020	CSR Committee – Chairperson Stakeholder Relationship committee – Member	Nil
Chairman/Member of the Committee of Directors of the other companies in which she is a Director as on March 31, 2020	Nil	Nil
Number of Shares held on March 31, 2020	55,59,013	Nil
Disclosure of relationship between Director inter-se	Mr. Suresh G Kare – Chairman – (Father)	NA

24. E-Voting:

In compliance with section 108 of the Companies Act, 2013 read with Rule 20 of the Company (Management and Administration) Rule, 2014, the Company has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through **Link Intime India Private Limited (LI IPL)** as an alternative, for all members of the Company to enable them to cast their votes electronically, on all the resolutions mentioned in the notice of the **73<sup>rd</sup> Annual General Meeting of the Company, dated June 24, 2020** (the AGM Notice).

The facility for voting through electronic mode shall also be made available during the 73<sup>rd</sup> Annual General Meeting. The members attending the meeting through electronic mode, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the e-meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed CS Ajit Sathe proprietor of M/s A.Y. Sathe & Co., Practicing Company Secretary, as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. E-voting is optional. In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Company has fixed September 16, 2020 as the 'Cut-off Date'. The remote e-voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date, i.e., **September 16, 2020**.

The remote e-voting period begins on Saturday, September 19, 2020 at 10.00 a.m. (IST) and ends on Wednesday, September 23, 2020 at 5.00 p. m (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-off Date, i.e., September 16, 2020 may cast their votes electronically.

The remote e-voting module shall be disabled by LI IPL for voting after 5.00 p.m. (IST) on September 23, 2020.

The instructions for shareholders voting electronically are as under:

❖ **Log-in to e-Voting website of Link Intime India Private Limited (LI IPL)**

1. Visit the e-voting system of LI IPL. Open web browser by typing the following URL: **<https://instavote.linkintime.co.in>**.
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
4. Your User ID details are given below:
  - a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
  - b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
  - c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No + Folio Number registered with the Company

5. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on “Sign Up” tab available under ‘Shareholders’ section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

<b>For Shareholders holding shares in Demat Form or Physical Form</b>	
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"><li>Members who have not updated their PAN with depository Participant or in the Company record are requested to use the sequence number, which is printed in the place indicated in the PAN Field.</li></ul>
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account number (last 4 digits) as recorded in your demat account or in the company records for the said demat account or folio number. <ul style="list-style-type: none"><li>Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (4-c).</li></ul>

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

**If Shareholders holding shares in Demat Form or Physical Form have forgotten password:**

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

Incase shareholder is having valid email address; Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

**NOTE:** The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.



❖ **Cast your vote electronically**

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View “Event No” of the company, you choose to vote.
7. On the voting page, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.

Cast your vote by selecting appropriate option, i.e., Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/ Against’. You may also choose the option ‘Abstain’ and the shares held will not be counted under ‘Favour/Against’.

8. If you wish to view the entire Resolution details, click on the ‘View Resolutions’ File Link.
9. After selecting the appropriate option, i.e., Favour/Against as desired and you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “YES”, else to change your vote, click on “NO” and accordingly modify your vote.
10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
11. You can also take the printout of the votes cast by you by clicking on “Print” option on the Voting page.

❖ **General Guidelines for shareholders:**

- Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as ‘**Custodian / Mutual Fund / Corporate Body**’.

They are also required to upload a scanned certified True copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorized representative(s) in PDF format in the ‘**Custodian / Mutual Fund / Corporate Body**’ login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular “Event”.
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions (“FAQs”) and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call on :- Tel : 022 - 49186000.

**25. Registration of email ID and Bank Account details:**

In case the shareholder’s email ID is already registered with the Company/its Registrar & Share Transfer Agent “RTA”/Depositories, login details for e-voting will be sent on the registered email address.

In case the shareholder has not registered his/her/their email address with the Company/its RTA/ Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

(i) Kindly log in to the website of our RTA, Link Intime India Private Ltd., [www.linkintime.co.in](http://www.linkintime.co.in) under Investor Services > Email/Bank detail Registration - fill in the details and upload the required documents and submit. **OR**

(ii) **In the case of Shares held in Demat mode:**

The shareholder may please contact the Depository Participant (“DP”) and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

**26. Instructions for Members for Attending the AGM through VC / OVAM are as Under:**

Instructions for Shareholders/Members to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:

A. Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 30 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.

Shareholders/Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (Fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairman of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis.

Members can login and join 15 (Fifteen) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (Fifteen) minutes after the schedule time. Participation is restricted upto 1000 members only.

Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:

1. Open the internet browser and launch the URL for InstaMeet <<<https://instameet.linkintime.co.in>>> and register with your following details:
  - a. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company
  - b. PAN: Enter your 10-digit Permanent Account Number (PAN)
  - c. Mobile No.
  - d. Email ID
2. Click “Go to Meeting”

Note:

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Call us: - Tel : ( 022-49186175).

**B. Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting:**

Shareholders/ Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at [compliance.officer@indoco.com](mailto:compliance.officer@indoco.com) from Monday September 21, 2020 10.00 A.M. to Wednesday September 23, 2020 at 10.30 a.m.

The first 25 Speakers on first come basis will only be allowed to express their views/ask questions during the meeting.

Note:

Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

Shareholders/ Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

**C. Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired.  
Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.

6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

**Note:**

Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet 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 facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Call us: - Tel : (022-49186175).

Place: Mumbai.  
Date: June 24, 2020

By Order of the Board  
**JAYSHANKAR MENON**  
*Company Secretary*



## ANNEXURE TO NOTICE

### Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

#### Item No.4

#### **Appointment of Dr. (Ms.) Vasudha V Kamat (DIN: 07500096) as an Independent Director of the Company**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company by way of Circular Resolution dated March 25, 2020, appointed Dr. (Ms.) Vasudha V Kamat (DIN: 07500096) as an Additional Director (in the category of Professional and Independent) with effect from March 27, 2020, pursuant to Section 161 of the Companies Act, 2013, read with the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Dr. (Ms.) Vasudha V Kamat (DIN: 07500096) will hold office up to the date of the ensuing Annual General Meeting. A Notice has been received along with deposit of requisite amount from a member proposing Dr. (Ms.) Vasudha V Kamat (DIN: 07500096) as a candidate for the office of Director of the Company.

The Company has received a declaration from Dr. (Ms.) Vasudha V Kamat (DIN: 07500096) confirming that she meets the criteria of independence as prescribed under in sub-section (6) of Section 149 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Dr. (Ms.) Vasudha V Kamat (DIN: 07500096) is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director of the Company.

In the opinion of the Board, Dr. (Ms.) Vasudha V Kamat (DIN: 07500096) fulfils the conditions for her appointment as an Independent Director as specified in the Act and the Listing Regulations and she is independent of the management.

Dr. (Ms.) Vasudha V Kamat (DIN: 07500096) aged 67 years has a Bachelor's Degree in Science (Chemistry), Master's Degree in Arts (Sociology), Bachelor's and Master's Degree in Education and a Doctoral Degree in Philosophy (Arts). She is well known for her significant contribution to the field of Education with more than four decades of experience. She has extensively contributed to School Education, Higher Education, Teacher Education, Women's Education, Open and Distance Learning, and Life Long Learning. She was the Vice Chancellor of SNDT Women's University (SNDTWU) during the years 2011-16 and had introduced many new practices into Higher Education in general and SNDTWU in particular. She is also a part of the committee constituted for preparation of the draft National Education Policy.

Copy of the draft letter for appointment of Dr. (Ms.) Vasudha V Kamat (DIN: 07500096) as an Independent Director setting out the terms and conditions is available for inspection by Members through electronic mode. Members may write to the Company at [compliance.officer@indoco.com](mailto:compliance.officer@indoco.com) in this regard.

Additional information in respect of Dr. (Ms.) Vasudha V Kamat (DIN: 07500096), pursuant to Regulation 36 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2), is given in Annexure 1 to this Notice.

None of the Directors or Key Managerial Personnel of the Company and / or their relatives except Dr. (Ms.) Vasudha V Kamat (DIN: 07500096), to whom the resolution relates, is in any way, concerned or interested, financially or otherwise, in the resolution Item No. 4.

The Board of Directors recommends the resolution in relation to the appointment of Dr. (Ms.) Vasudha V Kamat (DIN: 07500096) as an Independent Director of the Company as set out in Item No. 4 for approval of the Members by way of a Special Resolution.

**Item No.5**

The Board on the recommendation of the Audit Committee has approved the appointment and payment of remuneration of ₹ 1,80,000/- plus Taxes at actuals to M/s. Sevekari, Khare & Associates, Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021.

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

Accordingly consent of the members is sought for passing an Ordinary Resolution as set out in Item No. 5 of the Notice for ratification of their remuneration payable to the Cost Auditors for the financial year ending March 31, 2021.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way concerned or interested in the Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for the approval of the shareholders.

Place: Mumbai.

Date: June 24, 2020

By Order of the Board  
**JAYSHANKAR MENON**  
*Company Secretary*



APIs STOMATOLOGICALS ANTI-DIABETICS  
UKMHRA SOLID ORALS NEW PRODUCT LAUNCHES LEGACY BRANDS  
GASTRO INTESTINAL BA/BE STUDIES CRAMS  
ACUTE RESPIRATORY DMF's ANTI-INFECTIVES  
TECH-TRANSFER CMO DOSSIER USFDA SUB-CHRONIC  
ANDAs PATENTS FIRST TIME COMPILATION RANKED 29<sup>TH</sup> IN INDIA  
PAN-INDIA PRESENCE MANUFACTURING EXCELLENCE LAUNCHES CHRONIC ANALYTICAL SERVICES  
IN-LICENSING CRO STERILES KILOLAB API INTERMEDIATES  
CO-DEVELOPMENT 300 SCIENTISTS FMD COMPLIANCE OUT-LICENSING

2019-2020

Annual Report



INDOCO REMEDIES LTD.

Constantly Evolving...  
Consistently Excelling

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

MR. SURESH G KARE, Chairman  
 MS. ADITI PANANDIKAR, Managing Director  
 MR. SUNDEEP V BAMBOLKAR, Jt. Managing Director  
 MR. DIVAKAR M GAVASKAR, Independent Director  
 MR. RAJIV P KAKODKAR, Independent Director  
 MR. SHARAD P UPASANI, Independent Director  
 DR. ANIL M NAIK, Independent Director  
 DR. ANAND M NADKARNI, Non-Executive Director  
 DR. (MS.) VASUDHA V KAMAT, Additional Director  
 (w.e.f. March 27, 2020)

### CHIEF FINANCIAL OFFICER

MR. MANDAR BORKAR

### COMPANY SECRETARY & COMPLIANCE OFFICER

MR. JAYSHANKAR MENON

### REGISTRAR & SHARE TRANSFER AGENT

LINK INTIME INDIA PVT. LTD.  
 C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai 400083

### AUDITORS

M/S GOKHALE & SATHE,  
 Chartered Accountants  
 308/309, Udyog Mandir No. 1,  
 7-C Bhagoji Keer Marg,  
 Mahim, Mumbai 400016

### BANKERS

CITIBANK N. A.	KOTAK MAHINDRA BANK LTD.
HDFC BANK LTD.	SARASWAT CO-OP BANK LTD.
IDBI BANK LTD.	STANDARD CHARTERED BANK
DBS BANK	STATE BANK OF INDIA
AXIS BANK	EMIRATES NBD BANK
ICICI BANK	

### COMPANY IDENTIFICATION NUMBER

CIN: L85190MH1947PLC005913

### REGISTERED OFFICE

Indoco House, 166 CST Road, Kalina, Mumbai 400098.  
 Tel. No.: +91 22 62871000 / 68791250  
 Website: [www.indoco.com](http://www.indoco.com)





## MESSAGE FROM THE TOP MANAGEMENT

Dear Stakeholders,

You will be happy to know, that your Company has successfully addressed most of the regulatory issues at the manufacturing sites and we are back on track, reporting profits for the year 2019-20. We have done considerable work on this front and have developed capabilities and systems to mitigate the same.

It gives us pleasure to inform you that for the year 2019-20, your Company grew by 14.7 % with revenues at ₹ 1079 crore, as against ₹ 941 crore, last year. Domestic Formulation Business grew by 13.2 % with revenues at ₹ 686 crore, as against ₹ 606 crore, last year. International Formulation Business grew by 26.9 % with revenues at ₹ 296 crore, as against ₹ 233 crore, last year.

Earnings Before Interest, Taxes, Depreciation, and Amortization (EBIDTA) to net sales is 11.4 % at ₹ 123.3 crore, compared to 8.1 % at ₹ 76.7 crore, last year. Profit After Tax (PAT) is at ₹ 24.2 crore, as against loss of ₹ 2.8 crore, last year.

In the Domestic market, your Company launched eight new products, five in Cardiac segment, two in Anti-Diabetic segment and one in Dermatology segment. Out of these, a couple of the new products are launched for the first time in India. In the international markets, we have started receiving approvals against our ANDAs and Dossiers, which will keep us occupied with the launch activities in the respective markets.

As you know, the COVID-19 pandemic has created an unprecedented disruption and impacted all businesses globally. Our Company operations also suffered, but we continued to serve the society by manufacturing medicines for the patients. The Company has spared no efforts in adapting to the new normal by complying with the Government directives and by taking utmost care in protecting its employees while keeping the operations running. Indocoites across India, rose to the occasion, braving the risk and hardships in reporting on duty to keep the continuity in production and field activities. Teams manning Supply Chain, IT and Support Staff in particular have been working tirelessly to facilitate movement of materials.

The coming months will be challenging, however your Company has complete confidence in its people, partners and stakeholders for their support and trust.

You will be proud to note that the Management & Staff of Indoco contributed Rupees One Crore to the Hon'ble Prime Minister's 'Citizen Assistance and Relief in Emergency Situations Fund' (PM-CARES Fund) to support the Government in its fight against the CORONA VIRUS outbreak.

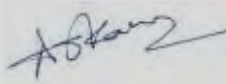
Your Company keeps alive its CSR mission by reaching out to the needy with focus on the welfare of women, the aged and children. We are striving hard to make a positive impact on the society's welfare, thereby creating better lives for a brighter future.

We express our gratitude to all our Stakeholders, including, shareholders, customers, bankers and the medical fraternity for their trust and support in Indoco. We thank all Indocoites for their contribution and trust, which we value the most.

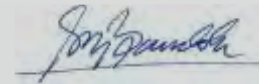
Thanking you all,



Suresh G Kare  
Chairman



Aditi Panandikar  
Managing Director



Sundeep V Bambolkar  
Jt. Managing Director



## INDOCO AT A GLANCE



### INCORPORATED

23<sup>rd</sup> August, 1947

### TURNOVER

USD 145 Million

### GLOBAL REACH

55 Countries

### EMPLOYEE STRENGTH

Over 6000

### PAN INDIA PRESENCE

9 Marketing Divisions,  
28 Depots and 2300 Field Staff

### MANUFACTURING EXCELLENCE

9 Manufacturing Facilities: 6 FDFs, 3 APIs,  
State-of-the-art R&D Centre, backed by CRO

### BUSINESS MODEL

Manufacturing and distribution of pharmaceutical  
products & services in India and overseas

### ALLIED SERVICES

Analytical Services  
Clinical Research Organisation (BA/BE Studies)

### 27 BRANDS RANKING IN TOP 5 IN THEIR RESPECTIVE THERAPEUTIC SEGMENTS

Sensodent K, Karvol Plus, Sensoform Toothpaste, Cital UTI,  
Kidodent, Rexidin, Carmicide, Snowdent, Cyclopam,  
Febrex Plus, Sensodent KF, Cal Aid, MCBM 69, Sensoform  
Gum Paint, ATM, Cital, SM Fibro, Dentogel, Otorex, Cital H,  
Rexidin Plus, MCBM DHA, Methycal, Hemsyl, Oxipod,  
Nosis, DChiro

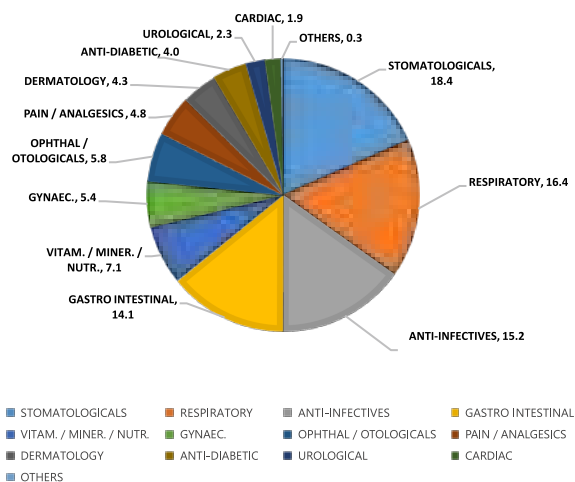
### REGULATORY APPROVALS

USFDA, UK-MHRA, TGA-Australia, JAZMP- Slovenia,  
SAHPRA - South Africa, NDA - Uganda, TFDA-Tanzania,  
MOH-Ukraine, PPB-Kenya, PDMA-Japan, DPML-Ivory  
Coast, etc.

# BUSINESS HIGHLIGHTS

## INDIAN BUSINESS

THERAPEUTIC SEGMENT CONT % FY 19-20

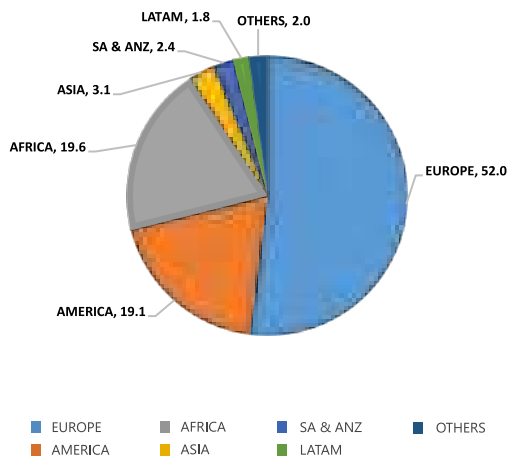


TOP BRANDS

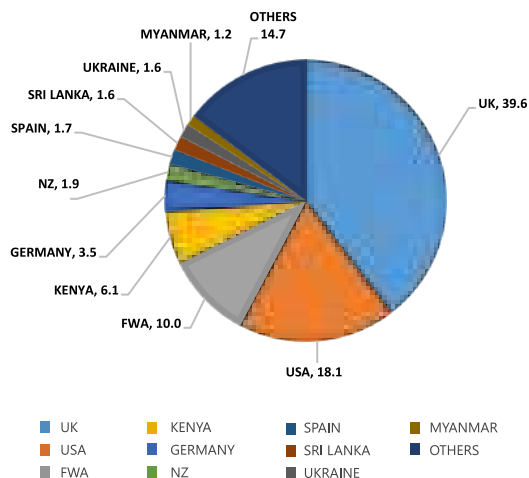


## INTERNATIONAL BUSINESS

REGION CONT % FY 19-20



COUNTRIES CONT % FY 19-20



## INDOCO'S RESPONSE TO COVID-19

COVID-19 has caused an unprecedented disruption to lives and the economies across the world. However, this crisis has not deterred the spirit of Indoco. Braving the lockdown, Indoco Soldiers are reporting to work by taking the necessary safety precautions.

Pandemic



Work From Home



Manufacturing Facilities Running



- Business Processes disrupted.
- Health gained priority.
- Uncertainty prevailed in all walks of life.
- Committed People – Risk Taking ability - Technology – Web world – Communication were game changers.

### INDOCO'S BRANDS HELP FIGHT AGAINST CORONA VIRUS

**Rexidin**

**ATM**

*karvol<sup>®</sup> plus*

**febrex plus**

# INDOCO'S RESPONSE TO COVID-19

## ENSURING BUSINESS CONTINUITY FOR SERVICING PATIENTS



**Indoco helps UK in its fight against COVID-19 by supplying Paracetamol Tablets**



**Indoco receives USFDA approval for Succinylcholine Chloride Injection USP in a record time of 4 months**



**OUR CFAs @ WORK**



**Field WARRIORS of Indoco**



**Field WARRIORS of Indoco**



**Field WARRIORS of Indoco**



**RESEARCH & DEVELOPMENT**



**PRODUCTION**



**WEBINARS FOR DOCTORS**

# INDOCO'S RESPONSE TO COVID-19

#IndocoCares - INDOCO SOLDIERS BRAVING THE LOCKDOWN & SERVING HUMANITY



Packaging Department, Goa



Unceasing efforts by the AnaCipher CRO, Hyderabad



Analysts and Formulator from R&D centre, Rabale



Team Kilo Lab, holding fort at Rabale



Team AMD at Rabale



Team QC and Production at Waluj



Team Engineering and Maintenance at various locations



Team Production at Patalganga



Team Production at Goa



Soldiers of Indoco - Mumbai



Soldiers of Indoco - Baddi



Security at Waluj

## CONTENTS

1	Notice	2
2	Directors' Report	15
3	Secretarial Audit Report	33
4	Extract of Annual Return	37
5	Business Responsibility Report	47
6	Report on Corporate Governance	54
7	Certificate on Corporate Governance	71
8	CEO and CFO Certification	72
9	Managing Director's Certification	73
10	Certificate of Non-Disqualification of Directors	74
11	Management Discussion and Analysis	75
12	Auditor's Report on Financial Statements	88
13	Balance Sheet	98
14	Statement of Profit and Loss	99
15	Cash Flow Statement	100
16	Statement for Changes in Equity	102
17	Significant Accounting Policies	103
18	Notes to Financial Statements (Standalone)	115
19	Financial Highlights	155
20	Auditor's Report on Financial Statements (Consolidated)	159
21	Balance Sheet (Consolidated)	168
22	Statement of Profit and Loss (Consolidated)	169
23	Cash Flow Statement (Consolidated)	170
24	Statement for Changes in Equity (Consolidated)	172
25	Significant Accounting Policies (Consolidated)	173
26	Notes on Financial Statements (Consolidated)	186

## INDOCO REMEDIES LIMITED

[CIN: L85190MH1947PLC005913]

Registered Office: Indoco House, 166 CST Road, Kalina, Santacruz (E), Mumbai 400 098

Tel: 022-68321400 / email: compliance.officer@indoco.com / Website: www.indoco.com

### Notice

Notice is hereby given that the **Seventy Third** Annual General Meeting of the members of **INDOCO REMEDIES LIMITED** will be held on **Thursday, September 24, 2020, at 10.30 a.m.** IST through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt;
  - (a) The audited financial statements of the Company for the financial year ended March 31, 2020 and the Reports of the Board of Directors and the Auditors thereon;
  - (b) The audited consolidated financial statements of the Company for the financial year ended March 31, 2020 and the Report of the Auditors thereon.
2. To declare a dividend on Equity Shares for the year ended March 31, 2020.
3. To appoint a Director in place of Ms. Aditi Panandikar (DIN 00179113), who retires by rotation and being eligible, offers herself for re-appointment.

#### **SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

**"RESOLVED THAT** Dr. (Ms.) Vasudha V Kamat (DIN: 07500096), who was appointed by the Board of Directors as an Additional Director of the Company with effect from March 27, 2020, under Section 161(1) of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment (s) thereof for the time being in force), who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying the intention to propose the candidature of Dr. (Ms.) Vasudha V Kamat (DIN: 07500096) for the office of Director, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), Dr. (Ms.) Vasudha V Kamat (DIN: 07500096), a Non-Executive Director of the Company, who has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Companies Act, and who is eligible for appointment as an Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of Five years with effect from September 24, 2020."



5. To consider and if thought fit, to pass with or without modification(s), the following resolution 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 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021, be paid the remuneration of ₹ 1,80,000 per annum plus out of pocket expenses plus applicable taxes that may be incurred during the course of audit”

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such steps as may be necessary proper or expedient to give effect to this resolution

By Order of the Board  
**JAYSHANKAR MENON**  
*Company Secretary*

Place: Mumbai.

Date: June 24, 2020

**Notes:**

1. Due to the Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
3. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company’s website [www.indoco.com](http://www.indoco.com) and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.
4. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
5. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
6. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization should be uploaded on <https://instavote.linkintime.co.in>
7. The Statement setting out the material facts relating to Special Business at the meeting pursuant to section 102 of the Companies Act, 2013 is annexed hereto.

8. As required by Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 a brief profile of Director seeking re-appointment at ensuing Annual General Meeting is given.
9. At the Seventieth AGM held on August 9, 2017 the Members approved appointment of M/S Gokhale & Sathe (Firm Registration No. 103264W), as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the Seventy Fifth AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the Seventy Third AGM.
10. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, September 22, 2020 to Thursday, September 24, 2020 (both days inclusive) for the purpose of determining the names of members eligible for dividend on Equity Shares if declared, at the meeting.
11. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ Link Intime (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to address [indocotaxexemption@linkintime.co.in](mailto:indocotaxexemption@linkintime.co.in) by 11:59 p.m. IST on September 22, 2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

12. The dividend for the year ended March 31, 2020 as recommended by the Board and if sanctioned at the Annual General Meeting, will be paid subject to deduction of Tax at Source to those members whose names appear on the Company's Register of Members on September 24, 2020. In respect of shares held in demat form, the dividend will be paid to the beneficial owners of shares as per details furnished by the Depositories for the purpose. The dividend will be paid on and from September 29, 2020.
13. Pursuant to Section 124 of the Companies Act, 2013, the Company has transferred on due dates the unpaid or unclaimed dividends for the financial Year 2011-12 (Final dividend) to Investor Education and Protection Fund (the IEPF) established by the Central Government.

Pursuant to provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016, the Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on March 31, 2019 on the website of the Company ([www.indoco.com](http://www.indoco.com)) as also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in)).

Dividends for the financial year **2012-2013** and thereafter, which remain unpaid or unclaimed for a period of 7 years from the date they became due for payment will be transferred by the Company to IEPF. Members who have not yet encashed their dividend warrants for financial year **2012-13** onwards and seek revalidation of their warrants are requested to write to the Company / Company's Registrars without any delay.

14. Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs (MCA) vide its Notification dated 05.09.2016 and as amended on 28.02.2017, (The Rules) the Company has transferred 56,018 shares in the name of Investor Education and Protection Fund (IEPS) Suspense Account in respect of which dividend has not been paid or claimed by the Shareholders for seven consecutive years or more. The Company has uploaded the details of shares so transferred on the website of the Company ([www.indoco.com](http://www.indoco.com)) as also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in)).
15. Members holding shares in Demat (electronic) account are requested to notify changes, if any, in their address, e-mail address, bank mandate, etc., to their respective Depository Participants (DPs). Members holding shares in physical form are requested to intimate the changes to the Company / Company's Registrars.
  - (a) In order to provide protection against fraudulent encashment of dividend warrants, members who hold shares in physical form are requested to intimate to the Company / Company's Registrars the following information to be incorporated on the dividend warrants, duly signed by the sole or first joint holder:
    - (i) Name of the Sole/First joint holder and the Folio Number
    - (ii) Particulars of Bank Account, viz:
      - Name of the Bank
      - Complete address of the Bank with Pin Code number
      - Account type whether Saving or Current
      - Bank Account Number
      - MICR Code:
      - IFSC Code:
  - (b) Members holding shares in demat form may please note that their Bank account details, as furnished by their Depositories to the Company, shall be printed on their Dividend Warrants as per the applicable regulation of the Depositories and the Company shall not entertain any direct request from the members for deletion of or change in Bank account details. Further, instructions, if any, already given by them in respect of shares held in physical form shall not be automatically applicable to shares held in demat form. Members who wish to change their bank details or particulars are requested to contact their Depository Participants.
  - (c) To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided facility to the members for remittance through NEFT/RTGS. Members holding shares in physical form and desirous of availing the facility are requested to contact the Company / Company's Registrars.
16. Facility of nomination is now available and members are requested to make use of the same by contacting the Company / Company's Registrars in case of physical holding and DPs in case of demat holdings.
17. For any assistance or information about shares, dividend, etc., members may contact the Company / Company's Registrars.
18. Members are requested to quote their Folio Number / Demat Account Number and contact details such as email address, contact number and complete address in all correspondence with the Company or its Registrars.

19. Members who hold shares in multiple folios and in identical names are requested to contact the Company / Company's Registrars for consolidating their holdings into a single folio.
20. Member desirous of getting any information, on the accounts and operations of the Company, may please forward their queries to the Company at least seven days prior to the Meeting so as to enable the Company to provide appropriate response thereto at the Meeting.
21. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are having demat accounts. Members holding shares in physical form are requested to submit PAN details to the Company / Registrar.
22. All documents referred to in the Notice along with the Statutory Registers maintained by the Company as per the Act will be available for inspection in electronic mode upto the date of the AGM of the Company and will also be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send an email to [compliance.officer@indoco.com](mailto:compliance.officer@indoco.com)
23. Details of Directors seeking appointment /reappointment in the Annual General Meeting scheduled on Thursday, September 24, 2020 pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Name of Director	<b>Ms. Aditi Panandikar</b>	<b>Dr. (Ms) Vasudha Vasant Kamat</b>
Date of Birth	January 22, 1970	June 26, 1952
Date of Appointment	February 15, 2017	March 27, 2020
Expertise in Specific Functional area	Business Development, Human Resources and Marketing Functions	Contribution in the field of Educational Technology and Information and Communication Technology (ICT) in Education. Former Vice-Chancellor of SNDT Women's University.
Qualification	B. Pharm, Masters in Business Management, Ohio State University	B.Sc. (Chemistry), M.A. (Sociology), Bachelor's and Master's degree in Education and a Doctoral degree in Philosophy (Arts)
Board Membership of other Public Companies as on March 31, 2020	Nil	Nil
Chairman / Member of the Committee of the Board of Directors of the Company as on March 31, 2020	CSR Committee – Chairperson Stakeholder Relationship committee – Member	Nil
Chairman/Member of the Committee of Directors of the other companies in which she is a Director as on March 31, 2020	Nil	Nil
Number of Shares held on March 31, 2020	55,59,013	Nil
Disclosure of relationship between Director inter-se	Mr. Suresh G Kare – Chairman – (Father)	NA

24. E-Voting:

In compliance with section 108 of the Companies Act, 2013 read with Rule 20 of the Company (Management and Administration) Rule, 2014, the Company has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through **Link Intime India Private Limited (LIPL)** as an alternative, for all members of the Company to enable them to cast their votes electronically, on all the resolutions mentioned in the notice of the **73<sup>rd</sup> Annual General Meeting of the Company, dated June 24, 2020** (the AGM Notice).

The facility for voting through electronic mode shall also be made available during the 73<sup>rd</sup> Annual General Meeting. The members attending the meeting through electronic mode, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the e-meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed CS Ajit Sathe proprietor of M/s A.Y. Sathe & Co., Practicing Company Secretary, as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. E-voting is optional. In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Company has fixed September 16, 2020 as the 'Cut-off Date'. The remote e-voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date, i.e., **September 16, 2020**.

The remote e-voting period begins on Saturday, September 19, 2020 at 10.00 a.m. (IST) and ends on Wednesday, September 23, 2020 at 5.00 p. m (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-off Date, i.e., September 16, 2020 may cast their votes electronically.

The remote e-voting module shall be disabled by LIPL for voting after 5.00 p.m. (IST) on September 23, 2020.

The instructions for shareholders voting electronically are as under:

**Log-in to e-Voting website of Link Intime India Private Limited (LIPL)**

1. Visit the e-voting system of LIPL. Open web browser by typing the following URL: **<https://instavote.linkintime.co.in>**.
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
4. Your User ID details are given below:
  - a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
  - b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
  - c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No + Folio Number registered with the Company

5. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on “Sign Up” tab available under ‘Shareholders’ section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

	<b>For Shareholders holding shares in Demat Form or Physical Form</b>
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"><li>Members who have not updated their PAN with depository Participant or in the Company record are requested to use the sequence number, which is printed in the place indicated in the PAN Field.</li></ul>
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account number (last 4 digits) as recorded in your demat account or in the company records for the said demat account or folio number. <ul style="list-style-type: none"><li>Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (4-c).</li></ul>

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

**If Shareholders holding shares in Demat Form or Physical Form have forgotten password:**

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

Incase shareholder is having valid email address; Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

**NOTE:** The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

### **Cast your vote electronically**

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View “Event No” of the company, you choose to vote.
7. On the voting page, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.

Cast your vote by selecting appropriate option, i.e., Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/ Against’. You may also choose the option ‘Abstain’ and the shares held will not be counted under ‘Favour/Against’.

8. If you wish to view the entire Resolution details, click on the ‘View Resolutions’ File Link.
9. After selecting the appropriate option, i.e., Favour/Against as desired and you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “YES”, else to change your vote, click on “NO” and accordingly modify your vote.
10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
11. You can also take the printout of the votes cast by you by clicking on “Print” option on the Voting page.

### **General Guidelines for shareholders:**

- Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as ‘**Custodian / Mutual Fund / Corporate Body**’.

They are also required to upload a scanned certified True copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorized representative(s) in PDF format in the ‘**Custodian / Mutual Fund / Corporate Body**’ login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular “Event”.
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions (“FAQs”) and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call on :- Tel : 022 - 49186000.

### **25. Registration of email ID and Bank Account details:**

In case the shareholder’s email ID is already registered with the Company/its Registrar & Share Transfer Agent “RTA”/Depositories, login details for e-voting will be sent on the registered email address.

In case the shareholder has not registered his/her/their email address with the Company/its RTA/ Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

(i) Kindly log in to the website of our RTA, Link Intime India Private Ltd., [www.linkintime.co.in](http://www.linkintime.co.in) under Investor Services > Email/Bank detail Registration - fill in the details and upload the required documents and submit. **OR**

(ii) **In the case of Shares held in Demat mode:**

The shareholder may please contact the Depository Participant (“DP”) and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

**26. Instructions for Members for Attending the AGM through VC / OVAM are as Under:**

Instructions for Shareholders/Members to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:

A. Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 30 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.

Shareholders/Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (Fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairman of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis.

Members can login and join 15 (Fifteen) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (Fifteen) minutes after the schedule time. Participation is restricted upto 1000 members only.

Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:

1. Open the internet browser and launch the URL for InstaMeet <<<https://instameet.linkintime.co.in>>> and register with your following details:
  - a. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company
  - b. PAN: Enter your 10-digit Permanent Account Number (PAN)
  - c. Mobile No.
  - d. Email ID
2. Click “Go to Meeting”

Note:

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.



Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Call us: - Tel : ( 022-49186175).

**B. Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting:**

Shareholders/ Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at [compliance.officer@indoco.com](mailto:compliance.officer@indoco.com) from Monday September 21, 2020 10.00 A.M. to Wednesday September 23, 2020 at 10.30 a.m.

The first 25 Speakers on first come basis will only be allowed to express their views/ask questions during the meeting.

Note:

Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

Shareholders/ Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

**C. Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired.  
Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.

6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

**Note:**

Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet 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 facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Call us: - Tel : (022-49186175).

Place: Mumbai.

Date: June 24, 2020

By Order of the Board  
**JAYSHANKAR MENON**  
*Company Secretary*

## ANNEXURE TO NOTICE

### Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

#### Item No.4

#### **Appointment of Dr. (Ms.) Vasudha V Kamat (DIN: 07500096) as an Independent Director of the Company**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company by way of Circular Resolution dated March 25, 2020, appointed Dr. (Ms.) Vasudha V Kamat (DIN: 07500096) as an Additional Director (in the category of Professional and Independent) with effect from March 27, 2020, pursuant to Section 161 of the Companies Act, 2013, read with the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Dr. (Ms.) Vasudha V Kamat (DIN: 07500096) will hold office up to the date of the ensuing Annual General Meeting. A Notice has been received along with deposit of requisite amount from a member proposing Dr. (Ms.) Vasudha V Kamat (DIN: 07500096) as a candidate for the office of Director of the Company.

The Company has received a declaration from Dr. (Ms.) Vasudha V Kamat (DIN: 07500096) confirming that she meets the criteria of independence as prescribed under in sub-section (6) of Section 149 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Dr. (Ms.) Vasudha V Kamat (DIN: 07500096) is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director of the Company.

In the opinion of the Board, Dr. (Ms.) Vasudha V Kamat (DIN: 07500096) fulfils the conditions for her appointment as an Independent Director as specified in the Act and the Listing Regulations and she is independent of the management.

Dr. (Ms.) Vasudha V Kamat (DIN: 07500096) aged 67 years has a Bachelor's Degree in Science (Chemistry), Master's Degree in Arts (Sociology), Bachelor's and Master's Degree in Education and a Doctoral Degree in Philosophy (Arts). She is well known for her significant contribution to the field of Education with more than four decades of experience. She has extensively contributed to School Education, Higher Education, Teacher Education, Women's Education, Open and Distance Learning, and Life Long Learning. She was the Vice Chancellor of SNDT Women's University (SNDTWU) during the years 2011-16 and had introduced many new practices into Higher Education in general and SNDTWU in particular. She is also a part of the committee constituted for preparation of the draft National Education Policy.

Copy of the draft letter for appointment of Dr. (Ms.) Vasudha V Kamat (DIN: 07500096) as an Independent Director setting out the terms and conditions is available for inspection by Members through electronic mode. Members may write to the Company at [compliance.officer@indoco.com](mailto:compliance.officer@indoco.com) in this regard.

Additional information in respect of Dr. (Ms.) Vasudha V Kamat (DIN: 07500096), pursuant to Regulation 36 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2), is given in Annexure 1 to this Notice.

None of the Directors or Key Managerial Personnel of the Company and / or their relatives except Dr. (Ms.) Vasudha V Kamat (DIN: 07500096), to whom the resolution relates, is in any way, concerned or interested, financially or otherwise, in the resolution Item No. 4.

The Board of Directors recommends the resolution in relation to the appointment of Dr. (Ms.) Vasudha V Kamat (DIN: 07500096) as an Independent Director of the Company as set out in Item No. 4 for approval of the Members by way of a Special Resolution.

**Item No.5**

The Board on the recommendation of the Audit Committee has approved the appointment and payment of remuneration of ₹ 1,80,000/- plus Taxes at actuals to M/s. Sevekari, Khare & Associates, Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021.

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

Accordingly consent of the members is sought for passing an Ordinary Resolution as set out in Item No. 5 of the Notice for ratification of their remuneration payable to the Cost Auditors for the financial year ending March 31, 2021.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way concerned or interested in the Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for the approval of the shareholders.

Place: Mumbai.

Date: June 24, 2020

By Order of the Board  
**JAYSHANKAR MENON**  
*Company Secretary*

## Directors' Report

Dear Members,

Your Directors are pleased to present the **Seventy Third** Annual Report on the business operations, together with the Audited Financial Statements for the Financial Year ended March 31, 2020 and on the state of affairs of the Company.

### Financial Performance:

The highlights of the performance of the Company for the year ended March 31, 2020 is summarized below:

(₹ crores)

<i>Particulars</i>	<i>Financial Year ended March 31, 2020</i>	<i>Financial Year ended March 31, 2019</i>
Revenue from Operations (Gross)	<b>1,106.00</b>	967.74
Add: Other Income	<b>2.43</b>	6.15
<b>Total Income</b>	<b>1,108.43</b>	973.89
Profit Before Finance Cost, Depreciation, Amortization, Impairment Expenses & Tax	<b>125.77</b>	82.86
Less: Finance Cost	<b>26.25</b>	20.54
Less: Depreciation, Amortization & Impairment Expenses	<b>70.81</b>	71.56
<b>Profit / (Loss) Before Tax</b>	<b>28.71</b>	(9.24)
Less: Provision for Taxation		
- Current	<b>3.86</b>	–
- Deferred	<b>4.46</b>	(7.19)
- Mat Credit Adjustments	<b>(3.86)</b>	0.79
<b>Net Profit / (Loss) After Tax</b>	<b>24.25</b>	(2.84)
Add: Other Comprehensive Income	<b>(1.84)</b>	(0.53)
<b>Total Comprehensive Income</b>	<b>22.41</b>	(3.37)
Balance brought forward	<b>320.27</b>	334.74
<b>Amount available for appropriation</b>	<b>342.68</b>	331.37
<b>Appropriation:</b>		
- Dividend Paid	<b>2.76</b>	9.21
- Dividend Tax	<b>0.57</b>	1.89
- Balance carried forward	<b>339.35</b>	320.27

### Results from Operations:

In March 2020, with COVID-19 being declared a pandemic, your Company adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The spread of Covid-19 resulted in the country going into a sudden lockdown from March 25, 2020 which brought the country to a complete halt. Being in the Pharma sector, except for the initial few days of the lockdown, all the Plants of your Company were operational after taking all the required precautions. Your Company has stood upto its commitments of serving the public at large and with a team of dedicated staff has kept all the factories operational for the manufacture of medicines.

Your Company is part of the great initiative by the Indian government to export Paracetamol tablets to the UK in its fight against Covid-19 and had been granted permission to air ship 4.48 crore Paracetamol Tablets to the UK. The first shipment of 11.70 lakh Paracetamol tablets to the UK was airlifted on April 12, 2020 by a Chartered flight from the Goa airport. The Board also sincerely appreciates the efforts of the Company's Field Staff, as well as, the Company's C&F Agents, who in these trying times ensured that the Company's products were made available to the Stockists and Medical Stores. Your Company is assessing the impact of the Covid-19 pandemic and expects it to be short term in nature. Your Company does not see any medium to long term risks in its ability to continue as a going concern and meeting its liabilities as and when they fall due.

The sudden declaration of the lockdown marginally affected the March revenue. The Total revenue of the Company amounted to ₹ 1108.43 crores, as compared to ₹ 973.89 crores, in the previous year. The Profit Before Tax was ₹ 28.71 crores, as against a loss of ₹ 9.24 crores, in the previous year. After providing for Tax/Deferred Tax, the Net Profit amounted to ₹ 24.25 crores, as against a Net Loss of ₹ 2.84 crores, in the previous year.

During the Year, the company received:

- In November 2019, Establishment Inspection Report (EIR), from the US Food and Drug Administration (USFDA) for its sterile facility (Plant II) and solid dosages facility (Plant III) at Verna, Goa.
- In November 2019, Establishment Inspection Report (EIR) for its Clinical Research Organization, AnaCipher, located at Hyderabad.
- In December 2019 received EU GMP certification from UK MHRA for its sterile manufacturing facility (Plant II) at Verna, Goa.
- In December 2019, received final approval of its ANDA for Febuxostat Tablets 40 mg and 80 mg, which is therapeutically equivalent to the Reference Listed Drug (RLD), viz., Uloric Tablets 40 mg and 80 mg of Takeda Pharmaceuticals U.S.A., Inc.
- In December 2019, received tentative approval of its ANDA for Alogliptin Tablets, 6.25 mg, 12.5 mg and 25 mg, which is a generic version of Takeda's brand "Nesina", for treatment of Diabetes.

Your company sees a lot of potential in the export market post Covid-19, with a surge in demand for Indian made pharmaceutical medicines. However, increase in input costs due to shortage of Raw Material could affect the Margins.

A detailed discussion on the business performance and future outlook is included in Management Discussion & Analysis which forms part of the Directors' Report.

#### **Dividend:**

In order to conserve resources, the Board has found it prudent to recommend a Dividend of 15% (₹ 0.30/- per share) i.e. ₹ 2.76 crores for the year 2019-2020. Dividend for the FY 2018-2019 was 15% (₹ 0.30/- per share) i.e. ₹ 2.76 crores.

The Company has made no transfer to reserves during FY 2019-2020.

#### **Energy Conservation / Technology Absorption and Foreign Exchange Earnings and Outgo**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure A".

**Share Capital:**

The paid-up Equity Share Capital as on March 31, 2020 is ₹ 18,43,00,710. During the year under review, the Company has not issued shares on rights basis or Equity Shares with differential voting rights or granted stock options or sweat equity or bonus shares.

As on March 31, 2020 none of the Directors of the Company held shares of the Company except:

Mr. Suresh G Kare - Chairman

Ms. Aditi Panandikar – Managing Director

Mr. Sundeep V Bambolkar – Jt. Managing Director

**Material changes and commitment – if any, affecting financial position of the Company from the end of the financial year till the date of this Report:**

There has been no material change and commitment, affecting the financial performance of the Company, which occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

**Finance:**

Cash and cash equivalent as at March 31, 2020 was ₹ 23.48 crores. The Company continues to focus on judicious management of its Working Capital. Receivables, Inventories and other working capital parameters were kept under strict check through continuous monitoring.

**Deposits:**

The Company has not accepted any Deposit covered under Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act or the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

**Particulars of Loans, Guarantees and Investments:**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**Credit Rating:**

ICRA has rated the Company's long term borrowings rating to A and reaffirmed the short term borrowing rating as A2+.

**Corporate Social Responsibility (CSR):**

In accordance with the provisions of Section 135 of the Act and Rules framed there under, the Company has a Corporate Social Responsibility ("CSR") Committee of Directors comprising of Ms. Aditi Panandikar (Chairperson), Dr. Anil M Naik (Member) and Mr. Sundeep V Bambolkar (Member).

As required under Section 135 of the Companies Act, 2013, during the year, the Company undertook CSR initiatives, which is mainly focused on promoting education, health and public hygiene. In this connection the Company during the year under consideration spent an amount of ₹ 92.91 lakhs, as against an amount of ₹ 87 lakhs required to be spent. A detailed list of the CSR expenditure made is annexed herewith as "Annexure B".

In addition to fulfilling its CSR obligations, the Company during the year made substantial donations of free medicines to charitable institutions for distribution among the needy.

#### **Internal Control Systems and their Adequacy:**

The Company has an Internal Control System, commensurate with the size of its operations. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report, significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

The Company's Internal Auditor also monitors and evaluates the internal control system and submits Quarterly Reports which are placed before the Audit Committee of the Board.

The Risk Management Policy of the Company is available on the Company Website at:

<https://www.indoco.com/inv-corp-policies.asp>

#### **Vigil Mechanism / Whistle Blower Policy:**

The Company has a Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The details of the Policy are explained in the Corporate Governance Report and also posted on the website of the Company <https://www.indoco.com/hr-policies.asp>.

#### **Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the financial year 2019-2020, the Company received **NIL** complaints on sexual harassment.

#### **Subsidiaries:**

As on March 31, 2020, the Company had Two subsidiaries:

- Xtend Industrial Designers and Engineers Pvt. Ltd. (XIDEL)
- Indoco Remedies Czech sro

A statement containing salient features of the financial statements of subsidiaries in prescribed Form AOC-1 as required under Section 129(3) of the Companies Act, 2013 ("Act"), is furnished in "**Annexure C**" to this report.

Further, pursuant to Section 136 of the Act, the financial statements of the Company consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries are available on the website of the Company – [www.indoco.com](http://www.indoco.com). Any person desirous of obtaining the said Financial Statements may write at [compliance.officer@indoco.com](mailto:compliance.officer@indoco.com). There have been no material changes in the nature of the business of the subsidiaries during the financial year 2019-2020.

The Company did not have any joint venture or associate companies during the year.



## Consolidated Financial Statements

The Consolidated Financial Statements of the Company prepared in accordance with Indian AS notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 forms part of this Annual Report.

### Directors:

The Company by way of a Circular Resolution appointed wef March 27, 2020, Dr (Ms.) **Vasudha V Kamat** (DIN 07500096) as an Additional Independent Director of the Company. Dr (Ms.) **Vasudha V Kamat** has a Bachelor's degree in Science (Chemistry), Master's degree in Arts (Sociology), Bachelor's and Master's degree in Education and a Doctoral degree in Philosophy (Arts). She has a varied experience in the education sector. In the past, she has held the post of Joint Director at the Central Institute of Educational Technology, a constituent unit of National Council of Educational Research and Training and Vice – Chancellor of S.N.D.T Women's University.

The Board considers that the appointment of Dr. (Ms) Vasudha V Kamat would be of immense benefit to the Company.

Dr. (Ms) Vasudha V Kamat holds office up to the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Dr. (Ms) Vasudha V Kamat for appointment as an Independent Director to hold office for a term upto Five consecutive years from the date of the Annual General Meeting.

In terms of provisions of the Section 152(6) of the Companies Act, 2013, Ms. Aditi Panandikar retires by rotation at the forthcoming Annual General Meeting, and being eligible offers herself 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 Annual Report.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

### Board Meetings:

During the financial year 2019-2020, Four (4) Board Meetings were held and the gap between two Board Meetings did not exceed 120 days. The details of the attendance of Directors at the Board Meetings are mentioned in the report on Corporate Governance annexed hereto.

### Annual evaluation of Board, its Committees and individual Directors

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee, CSR Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

## Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel (KMP) and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

1. The Board Affirms that the remuneration paid is as per the Remuneration Policy of the Company.
2. The percentage increase in the median remuneration of employees in the financial year: 8%.
3. Average percentage increase in salaries of non-managerial employees was 6.90% as compared to average percentage increase in managerial remuneration which was 8.12%.
4. Number of Permanent employees on the rolls of the Company as on March 31, 2020: 5860 Nos.
5. The Ratio of the remuneration paid to each Director to the median remuneration of the employees of the Company during the year under consideration:

<i>Name of Director</i>	<i>Remuneration Paid (₹)</i>	<i>Median Remuneration (₹)</i>	<i>Ratio</i>
Mr. Suresh G Kare (Executive Chairman)	2,23,95,600	2,77,218	1:81
Ms. Aditi Panandikar (Managing Director)	2,00,83,189	2,77,218	1:72
Mr. Sundeep V Bambolkar (Jt. Managing Director)	1,82,83,810	2,77,218	1:66
Dr. Anil M Naik (Independent Director)	4,40,000	2,77,218	1:1.59
Mr. Sharad P Upasani (Independent Director)	4,00,000	2,77,218	1:1.44
Mr. Rajiv P Kakodkar (Independent Director)	4,00,000	2,77,218	1:1.44
Mr. D M Gavaskar (Independent Director)	3,40,000	2,77,218	1:1.23
Dr. Anand M Nadkarni (Non Executive Director)	1,60,000	2,77,218	1:0.58

## Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013.

- i. that in the preparation of annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- ii. that 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 at the end of the financial year and of the profit and loss of the Company for that period;
- iii. that proper and sufficient care has been taken 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;

- iv. that the annual accounts have been prepared on a 'going concern' basis;
- v. that the Company has laid down internal financial controls and such internal financial controls are adequate and operating effectively;
- vi. that proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively;

#### **Particulars of contracts or arrangements with Related Party Transactions**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel, which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior approval of the Audit Committee is obtained on a yearly basis specifying the upper ceiling as to amount for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the prior approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

The particulars as required under the Companies Act, 2013 is furnished in "Annexure D" to this report.

#### **Significant and Material Orders passed by the Regulators or Courts**

There are no significant material orders passed by the Regulators / Courts, which would impact the going concern status of the Company and its future operations.

#### **Material changes and commitments, if any, affecting the financial position have occurred between the end of the financial year of the Company and date of this report.**

No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

#### **Compliance with Secretarial Standards**

During FY 2019-2020, the Company has complied with applicable standards issued by the Institute of the Company Secretaries of India.

#### **Statutory Auditors:**

In terms of provisions of Section 139(1) of the Companies Act, 2013, M/s. Gokhale & Sathe, a Firm of Chartered Accountants, bearing Firm Registration No. 103264W have been appointed as the Statutory Auditors of the Company at the 70<sup>th</sup> Annual General Meeting of the members of the Company held on August 9, 2017 to hold office for a period of 5 years till the conclusion of the 75<sup>th</sup> AGM of the Company.

In terms of the Companies (Amendment) Act, 2017 and vide notification no S.O. 1833(E) dt. 7.5.2018, the Ministry of Corporate Affairs have done away with the requirement of ratification of the appointment of auditors, at each subsequent Annual General meeting, by deleting the 1<sup>st</sup> Proviso to the sub-section (1) of Section 139 of the Companies Act, 2013. Accordingly, the same is not required to be put up to the members for ratification.

M/S Gokhale & Sathe have confirmed that they continue to be eligible under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for continuing as Auditors of the Company.

The Auditors' Report issued by M/s. Gokhale & Sathe, the Statutory Auditor, for the FY 2019-2020 does not contain any qualification, reservation, adverse remark or disclaimer.

**Details in respect of frauds reported by auditors pursuant to section 143(12) of the Companies Act, 2013:**

There have been no instances of fraud reported by above-mentioned Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Company or to the Central Government during FY 2019-2020.

**Cost Auditors:**

As per requirements of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records and accordingly, such accounts are made and records have been maintained in respect of the applicable products for the year ended March 31, 2020.

The Company has appointed M/s Sevekari Khare & Associates (Firm Registration No. 000084) to get the audit of the cost records done for FY 2019-2020. They would be required to submit the reports by September 29, 2020.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to M/s Sevekari Khare & Associates, Cost Auditors for FY 2020-2021 is included at Item No. 5 of the Notice convening the Annual General Meeting.

**Secretarial Audit**

The Secretarial Audit was carried out by M/s A. Y Sathe & Co., Company Secretaries in Practice (Registration No.: FCS 2899/COP 738) for the financial year 2019-2020. The Report given by the Secretarial Auditors is annexed as "Annexure E" and forms integral part of this Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Secretarial Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

In terms of Section 204 of the Companies Act, 2013, the Board of Directors has appointed CS Ajit Sathe - Proprietor of M/s A. Y Sathe & Co. Company Secretaries in Practice (Registration No.: FCS 2899/COP 738) to undertake the Secretarial Audit of the Company for the Year 2020-2021.

**Corporate Governance**

The Company complies with the Securities and Exchange Board of India (SEBI)'s guidelines on Corporate Governance. The Company has documented its internal policies on Corporate Governance. Several aspects of the Act, such as the Whistleblower Policy and Code of Conduct and Ethics, have been incorporated into the Company's policies. The Corporate Governance Report for fiscal 2019-2020 forms part of this Annual Report. The Report is duly certified by the Statutory Auditors of the Company whose certificate is also annexed.

### **Extract of the Annual Return:**

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, is annexed as Annexure-F and forms an integral part of this Report.

### **Particulars of Employees:**

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is provided in the Corporate Governance Report.

### **Employees Relations**

The employees' relation at all levels and at all units continued to be cordial during the year.

### **Business Responsibility Report**

As mandated by the Securities and Exchange Board of India (SEBI), the Business Responsibility Report of the Company for the year ended March 31, 2020 is annexed as "**Annexure C**" and forms integral part of this Report.

### **Acknowledgement**

Your Company has been able to operate efficiently through continuous improvement in all functions and areas by efficiently utilizing the Company's resources. The Directors wish hereby to place on record their appreciation of the services rendered by each and every employee, without whose whole-hearted efforts, the overall satisfactory performance would not have been possible. The Directors also wish to place on record their word of sincere appreciation to the bankers & financial institutions, the investors, the vendors, the customers, the medical profession and all other business associates for their continued support. Your Directors look forward to the long term future with confidence.

### **Cautionary Statement**

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

For and on behalf of the Board of Directors

**SURESH G KARE**  
*Chairman*

DIN: 00179220

Place : Mumbai

Date : June 24, 2020

## **Annexure-A** to the Directors' Report

### **A) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars required under Section 134(3)(m) of the Companies Act, 2013 read with the Rules 8(3) of the Companies (Account) Rules, 2014.

- (a) Steps Taken or impact of conservation of energy during 2019-2020
  - 1) Installation of LED lamps in various departments to save electricity.
  - 2) Installation of sophisticated Demineralized plant to reduce chemical cost and Conservation of water.
  - 3) Implementation of pressure impedance balancing control valve to all air handling systems to control chilled water and utility.
  - 4) Installation of Five-star rating air conditioners and Motors for plant machineries to save electricity.
  - 5) Human motion sensor installed for air conditions and lamps at various location to save electricity.
- (b) Steps taken by the Company for utilizing alternative sources of energy.  
Feasibility study undertaken for:
  - 1) Installation of solar system to generate electricity for plant lighting purpose.
  - 2) Replacement of Reciprocating chillers to Screw chillers to save Electrical & Maintenance Cost.
  - 3) Rain harvesting to save rain water.
  - 4) Replacement of old Cooling Towers with energy efficient Cooling Towers for Air Conditioners, Air Compressors & Process Equipment.
- (c) The Capital investment on energy conservation equipment (approx.): ₹ 3.00 crores
- (d) Total energy consumption and energy consumption per unit of production:

## FORM A

### 1. Power and Fuel Consumption

<i>Particulars</i>	<i>Current year</i>	<i>Previous Year</i>
1) Electricity		
a) Purchased Units (in lakhs)	<b>400.14</b>	331.48
Total Amount (₹ lakhs)	<b>2,818.66</b>	2315.46
Rate/Unit (₹)	<b>7.04</b>	6.99
b) Own generation		
i) Through diesel generator		
Units (KWH'000)	<b>2,468.45</b>	1413.28
Units per litre of diesel oil (KWH)	<b>3.12</b>	3.11
Rate/Unit (₹)	<b>20.75</b>	21.24
ii) Through steam turbine/generator		
Units	<b>70.55</b>	Nil
Units per litre of fuel oil/gas	<b>35.47</b>	Nil
Cost/Unit (₹)	<b>50.28</b>	Nil
2) Coal		
Qty	<b>Nil</b>	Nil
Total cost		
Average rate (₹)		
3) Furnace Oil		
Qty (Kilo litres)	<b>905.50</b>	718.35
Total Amount (₹ lakhs)	<b>317.22</b>	297.34
Average rate (₹)	<b>35.03</b>	41.39
4) Others/internal generation (briquettes, cashew seeds, etc.)		
Quantity	<b>Nil</b>	Nil
Total Cost (₹ lakhs)	<b>336.31</b>	223.05
Rate/Unit	<b>Nil</b>	Nil

### 2. Consumption per unit of production

On account of the manufacture of products with varied pack size/units of measures, it is not practicable to express the consumption of power per unit of production.

## B) TECHNOLOGY ABSORPTION

Efforts made in Technology absorption:

### FORM B

#### Research and Development (R&D)

1. Specific areas in which Research and Development are carried out by the Company are:

Indoco's R&D Centre, located at Rabale, Navi Mumbai has a highly skilled team of around 400 scientists involved in the research and development of Active Pharmaceutical Ingredients(API) Finished Dosage Forms (FDFs) as well as Analytical Services.

The Chemical Research Department (CRD) works on chemical synthesis, process chemistry, designing of non-infringing processes and scale up of APIs.

The Finished Dosages research (F&D) is a technically strong team with special expertise in development of complex sterile dosage forms like ophthalmic solutions, suspensions and gels and injectable solutions and suspensions. The team is also involved in development of various other dosage forms like immediate release tablets, capsules, Multi-Unit Pellet Systems (MUPS), Pulsatile drug delivery systems, extended release tablets with matrix technology.

The State-of-the-Art infrastructure is equipped with latest and sophisticated analytical instrumentation and software. Several studies on Extractable and Leachable for injectable as well as for ophthalmic are undertaken in this facility. Studies on Elemental impurities, as per ICH Q3D, which is now mandatory for regulatory submissions are also performed using advanced instrumentation. Identification of unknown impurities and its characterization is also routinely performed in the analytical laboratory.

With a strong technical team in place, and with an advantage of vertically integrated API facility, Indoco is a partner-of-choice for several large pharmaceutical companies across the globe for co-development and for site transfer projects of ophthalmic, injectable, solid and liquid dosage forms as well as topical products.

2. Benefits derived as a result of above efforts are
  - Creation of the Company's own intellectual property which can be exploited commercially.
  - Preventing competitors from blocking ideas for Novel manufacturing processes.
  - R&D efforts give an edge over the competitors in the market place in terms of early entry and better pricing.
  - The ability to develop difficult-to-make, complex APIs by using the latest technologies is the key differentiating factor of the Company's research.
  - The Company's patent portfolio consists of

	<i>Granted Patents</i>	<i>Patent Application</i>
Formulation	10	22
API	24	68
Total	34	90



3. Future plan of action

Development of API for vertically integrated projects, development of generic injectable and ophthalmic for the globe and commercialization of a complex project for hypertension for the US market. Commercialization of several generic injectable and solid orals for the US and EU market. Developing an expertise in the analytical methods development for offering value added services for Isolation and Characterization of Impurities, extractable, leachable, polymorphism and lyophilisation study.

4. Expenditure on R & D:

Sr. No.	Particulars	Current Year (₹ Crores)	Previous Year (₹ Crores)
1.	Capital	3.48	1.55
2.	Recurring	49.70	51.52
3.	Total	53.18	53.07
4.	Total R&D expenditure as a % of total Gross Sales (Net of Returns)	4.90%	5.60%

**Technology absorption, adaptation and innovation:**

1. During the year, Process Development for the following APIs were successfully implemented:

- a. **Metoprolol Succinate:** Product is successfully scaled up and commercialized at the Company's manufacturing plant at Patalganga.
- b. **Lacosamide:** New cost effective manufacturing process is developed and scaled up. This will significantly reduce the cost of the API.
- c. **Dorzolamide Hydrochloride:** Cost effective manufacturing process developed and successfully scaled up at plant. This process is approved by regulatory agencies through CEP dossier and DMF.
- d. **Cetirizine Dihydrochloride:** Process development and bench scale validation is completed. Technology is ready for transfer to plant scale.
- e. **Amiodarone Hydrochloride:** Process development and bench scale validation is completed. Technology is ready for transfer to plant scale.

2. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:

- |  |      |
|--|------|
| a) Technology Imported   | None |
| b) Year of import  | N.A. |
| c) Has technology been fully absorbed  | N.A. |
| d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action | N.A. |

### C) FOREIGN EXCHANGE EARNINGS AND OUTGO

- (a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans:

The Company participates in International Conferences and exhibitions in US, Europe, Japan and other countries. Such participation helps in expanding our network of customers. During the year the Company continued with its efforts of filing own Dossiers in Europe through DCP (Decentralization Procedure) route and filing own ANDAs with USFDA. The product basket has been expanded and scope of services offered is also extended to analytical and synthesis of impurities, reference standards and building blocks of NCEs for MNCs. The Company plans to move up in the value chain by offering new products/services and expanding into newer territories is well on track.

- (b) Total foreign exchange earnings and outgo:

<i>Sr. No.</i>	<i>Particulars</i>	<i>Current Year (₹ crores)</i>	<i>Previous Year (₹ crores)</i>
1.	Total foreign exchange earned	354.32	285.82
2.	Total foreign exchange outgo	118.66	108.51

For and on behalf of the Board of Directors

**SURESH G KARE**  
*Chairman*

DIN: 00179220

Place : Mumbai  
Date : June 24, 2020

## Annexure-B to the Directors' Report

### Annual Report on Corporate Social Responsibility (CSR) Activities

A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

**CSR Policy is stated herein below:**

The detailed policy is available on the Company Website at: <https://www.indoco.com/policies/CSR.pdf>

**Composition of the CSR Committee:**

Ms. Aditi Panandikar - Chairperson  
Dr. Anil M Naik - Member  
Mr. Sundeep V Bambolkar - Member

**Average net profit of the Company for last three financial years: ₹ 43.51 crores**

**Prescribed CSR Expenditure**

**Total CSR Expenditure for FY 2019-2020 ₹ 87.00 Lakhs**

**Details of CSR spend for the financial year:**

**A Total amount spent for the financial year: ₹ 92.91 Lakhs**

**B Amount unspent, if any: Nil**

**In case the Company has failed to spend the 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's Report:** The shortfall is mainly due to the fact that some of the projects sanctioned are taking time for completion and hence entire amount on those Projects has not been spent.

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

Project / Activities	Sector	Location	Amount Budgeted	Amount Spent	Cumulative Spent	Amount Spent Direct or through Implementing Agency
			₹ in Lakhs			
Ramakrishna Mission Ashram	Contribution towards free medicines	All India	29.17	29.17	29.17	Direct
Bhagini Nivedita Gramin Vigyan Niketan	Enhancing vocational skills	Bahadarpur	26.58	26.58	26.58	Direct
Goa Bagayatdar Sahakar Kharedi Vikri Sauntha Maryadit	Donation for Covid 19	Goa	10.00	10.00	10.00	Direct
Nana Palkar Smruti Samiti	Preventive Healthcare	Mumbai	7.28	7.28	7.28	Direct
Vivekananda Kendra Arun Jyoti	Contribution towards free medicines	All India	5.12	5.12	5.12	Direct
Sevalaya	Contribution towards free medicines	Chennai	3.81	3.81	3.81	Direct

Project / Activities	Sector	Location	Amount Budgeted	Amount Spent	Cumulative Spent	Amount Spent Direct or through Implementing Agency
			₹ in Lakhs			
IPH Learning Centre	Promoting Education	Thane	3.00	3.00	3.00	Direct
Cry - Child Rights & You	Promoting Education	Mumbai	3.00	3.00	3.00	Direct
D Y Patil Education Society's Medical College	Promoting Education	Kolhapur	1.00	1.00	1.00	Direct
Guild of Services, Bombay	Promoting Education	Mumbai	1.00	1.00	1.00	Direct
Sneha Mandir	Contribution towards free medicines	Goa	0.62	0.62	0.62	Direct
Mahila Mandal Margao	Contribution towards free medicines	Goa	0.51	0.51	0.51	Direct
Advitya Kala Sangam Trust	Promoting & Development of Traditional Arts	Mumbai	0.50	0.50	0.50	Direct
Saraswat Mandir Trust	Promoting Education	Goa	0.50	0.50	0.50	Direct
Vaishnavi Charitable Trust	Contribution towards free medicines	Mumbai	0.39	0.39	0.39	Direct
Dyaneshwar Maharaj Palakhi Medical Camp	Contribution towards free medicines	Pune	0.22	0.22	0.22	Direct
Chetana Apangmati Vikas Sanstha	Enhancing vocational Skills	Kolhapur	0.20	0.20	0.20	Direct
Shree Samarth Samajik Vikas Sanstha -Raigad	Contribution towards free medicines	Raigad	0.01	0.01	0.01	Direct
<b>Total</b>			<b>92.91</b>	<b>92.91</b>	<b>92.91</b>	

The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy will be in compliance with CSR objectives and Policy of the Company.

**SURESH G KARE**

*Chairman*

Place : Mumbai

Date : June 24, 2020

**ADITI PANANDIKAR**

*Chairperson of CSR Committee*

## Annexure C to the Directors' Report

Form No. AOC-1

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

### Part "A": Subsidiaries

CIN / Registration #	U93000MH1995PTC086174	4472152
Name of the Subsidiary	Xtend Industrial Designers and Engineers Private Limited	Indoco Remedies Czech sro
Reporting period for the subsidiary	April 01, 2019 to March 31, 2020	April 01, 2019 to March 31, 2020
Reporting Currency	INR (₹)	Czech Crown
Equity Share Capital	2,02,70,250	–
Reserves and Surplus	(19,02,217)	(22)
Total Assets	2,95,61,125	57
Total Other Liabilities	1,11,93,092	79
Investments	Nil	Nil
Turnover	59,19,739	Nil
Profit / (Loss) before Taxation	(12,68,846)	(33)
Less: Provision for Taxation	(54,900)	0
Profit/(Loss) after Taxation	(12,13,946)	(33)
Proposed Dividend	0	0
% of shareholding	100%	100%

Notes:

1. Reporting period of the subsidiary is the same as that of the Company
2. Names of subsidiaries which are yet to commence operations: NIL
3. Names of subsidiaries which have been liquidated or sold during the year: **NA**
4. **Part B of the Annexure** is not applicable as there are no Associate Companies/Joint Ventures of the Company as on March 31, 2020

For and on behalf of the Board of Directors

**SURESH G KARE**  
*Chairman*

Place : Mumbai  
Date : June 24, 2020

DIN: 00179220

## Annexure-D to the 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 arms 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 which is not on arms length basis.**

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

<i>Name of the party with which contract is entered into</i>	<i>Principal terms and conditions</i>			<i>Date of Approval</i>	<i>Amount paid as Advance</i>
			₹		
Suresh G Kare (HUF)	Godown Rent	Yearly	3,00,000	08-03-2019	NIL
A K Services	Commission & Brokerage	Yearly	88,41,011	08-03-2019	NIL
A K Services	Export Godown Operating Expenses	Yearly	27,61,200	08-03-2019	NIL
A K Services	Interest on Security Deposit	Yearly	70,000	08-03-2019	NIL
Xtend Industrial Designers & Engineers Pvt. Ltd.	Consultancy Charges	Yearly	2,06,26,456	08-03-2019	NIL

For and on behalf of the Board of Directors

**SURESH G KARE**  
*Chairman*

DIN: 00179220

Place : Mumbai  
Date : June 24, 2020

**Annexure-E**  
**to the 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 Personnel) Rules, 2014]*

To,  
**The Members,**  
**Indoco Remedies Limited**  
Indoco House, 166, CST Road,  
Vidyanagari Marg, Kalina,  
Santacruz (East), Mumbai – 400 098,  
Maharashtra, India

I, Ajit Y. Sathe, Proprietor of A. Y. Sathe & Co., Practising Company Secretaries, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Indoco Remedies Limited (CIN-L85190MH1947PLC005913)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my 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, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 ('Audit Period') 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:

I 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 By-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, 2009 **[Not Applicable as the Company has not issued any further capital under the regulations during the financial year under review];**
  - (d) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during the Audit Period);**
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **[Not Applicable as the Company has not issued and listed any debt securities during the financial year under review];**
  - (g) 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 **[Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review];**
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **[Not applicable as the Company has not delisted/ proposed to delist its equity shares from any Stock Exchange during the financial year under review];** and
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **[Not applicable as the Company has not bought back/ proposed to buy-back any of its securities during the financial year under review];**
- (vi) The Management has identified and confirmed the following laws as specifically applicable to the Company:
- a) Drugs and Cosmetics Act, 1940.
  - b) Narcotic Drugs and Psychotropic Substances Act, 1985.
  - c) Petroleum Act, 1934.
  - d) The Medical & Toilet Preparations (Excise Duties) Act, 1955.
  - e) The Indian Boilers Act, 1923.

I have relied on information / records produced by the Company during the course of my audit and the reporting is limited to that extent.

I 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) issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.



**I 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 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 at least seven days in advance, 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that,**

During the audit period, there were no instances like:

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations

**For A. Y. Sathe & Co.**  
*Company Secretaries*

**CS Ajit Sathe**  
*(Proprietor)*

FCS No.2899

COP No. 738

UDIN: F002899B00364634

Date : June 22, 2020

Place : Mumbai

## **Annexure to the Secretarial Audit Report**

**To,  
The Members  
Indoco Remedies 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 the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures 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 A. Y. Sathe & Co.**  
*Company Secretaries*

**CS Ajit Sathe**  
*(Proprietor)*  
FCS No.2899  
COP No. 738  
UDIN: F002899B00364634

Date : June 22, 2020

Place : Mumbai

**Annexure-F**  
**to the Directors' Report**

**Extract of Annual Return**

**As on the financial year ended on March 31, 2020**

{Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014}

**FORM MGT-9**

**I. REGISTRATION AND OTHER DETAILS:**

i	CIN	L85190MH1947PLC005913
ii	Registration Date	August 23, 1947
iii	Name of the Company	Indoco Remedies Limited
iv	Category/sub Category of Company	Company Limited by shares/ Non-govt. Company
v	Address of the Registered Office and contact Details	Indoco House, 166 CST Road, Vidyanagari Marg, Kalina, Santacruz East, Mumbai 400098 Mr. Jayshankar Menon - Company Secretary. Email: <a href="mailto:compliance.officer@indoco.com">compliance.officer@indoco.com</a> Tel: 022 68321400 Website: <a href="http://www.indoco.com">www.indoco.com</a>
vi	Whether Listed Company	Yes
vii	Name, Address and contact details of Registrar and Transfer Agent	Link Intime India Pvt. Ltd. Unit: Indoco Remedies Limited, C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai 400083 Tel: 022-49186000 Email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated: -

Sl No.	Name and Description of main products/services	NIC Code of the Product/ service	%to total turnover of the company
1.	Manufacture of Pharmaceutical Products	2100	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1.	Xtend Industrial Designers and Engineers Pvt. Ltd	U93000MH1995PTC086174	Subsidiary	100%	2(87)(ii)
2.	Indoco Remedies Czech S.R.O	04472152	Subsidiary	100%	2(87)(ii)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	19871714		19871714	21.56	19871714		19871714	21.56	-
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp	15771755		15771755	17.12	15771755		15771755	17.12	-
e) Banks/FI									
f) Any Other (PAC)	18426477		18426477	20.00	18437677		18437677	20.01	0.01
<b>Sub-Total (A)(1)</b>	<b>54069946</b>		<b>54069946</b>	<b>58.68</b>	<b>54081146</b>		<b>54081146</b>	<b>58.69</b>	<b>0.01</b>
<b>(2) Foreign</b>									
a) NRIs- Individuals									
b) Other – Individuals									
c) Bodies Corp									
d) Banks/FI									
e) Any Other									
<b>Sub-total</b>									
<b>Sub-Total (A)(2)</b>									
<b>Total Shareholding of Promoter (A)= (A)(1) + (A)(2)</b>	<b>54069946</b>		<b>54069946</b>	<b>58.68</b>	<b>54081146</b>		<b>54081146</b>	<b>58.69</b>	<b>0.01</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	11722760		11722760	12.72	14291278		14291278	15.51	2.79
b) Venture Capital Funds									
c) Alternate Investment Funds	1864815		1864815	2.02	23325		23325	0.03	(2.00)
d) Foreign Venture Capital Investors									
e) Foreign Portfolio Investors	1950735		1950735	2.12	1818750		1818750	1.97	(0.14)
f) Financial Institutions / Banks	24895		24895	0.03	20366		20366	0.02	-
g) Insurance Companies									
h) Provident Funds / Pension Funds									
i) Any Other									
<b>Sub-total (B) (1)</b>	<b>15563205</b>		<b>15563205</b>	<b>16.89</b>	<b>16153719</b>		<b>16153719</b>	<b>17.53</b>	<b>0.64</b>

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Central Government/ State Government</b>									
<b>Sub-total (B) (2)</b>	-		-	-	-		-	-	-
<b>3. Non Institutional</b>									
<b>a) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	7989406	742583	8731989	9.48	8172340	604201	8776541	9.52	0.05
ii) Individuals shareholders holding nominal share capital in excess of ₹ 2 lakh	8386120	604725	8990845	9.76	8212065	474975	8687040	9.43	(0.33)
b) NBFC registered with RBI	113534		113534	0.12	-		-	-	(0.12)
c) Employee Trust									
d) Overseas Depositories									
<b>e) Others (specify)</b>									
a) HUF	601402		601402	0.65	389201		389201	0.42	(0.23)
b) Non Resident Indians	1166056		1166056	1.27	1138195		1138195	1.24	(0.03)
c) Clearing Member	439619		439619	0.48	75427		75427	0.08	(0.40)
d) Investor Protection and Education Fund	56018		56018	0.06	56018		56018	0.06	-
e) Bodies Corporate	2417741		2417741	2.62	2793068		2793068	3.03	0.41
<b>Subtotal (B)(3)</b>	<b>21169896</b>	<b>1347308</b>	<b>22517204</b>	<b>24.44</b>	<b>20836314</b>	<b>1079176</b>	<b>21915490</b>	<b>23.78</b>	<b>0.65</b>
<b>Total Public shareholding (B)= (B)(1) + (B)(2) + (B)(3)</b>	<b>36733101</b>	<b>1347308</b>	<b>38080409</b>	<b>41.32</b>	<b>36990033</b>	<b>1079176</b>	<b>38069209</b>	<b>41.31</b>	<b>0.01</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>90803047</b>	<b>1347308</b>	<b>92150355</b>	<b>100</b>	<b>91071179</b>	<b>1079176</b>	<b>92150355</b>	<b>100</b>	

## ii) Shareholding of Promoters & Promoter Group

Sl. No	Shareholder's name	Shareholding at the beginning of the year 01.04.2019			Shareholding at the end of the year 31.03.2020			% change 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	Shanteri Investment Pvt. Ltd	15771755	17.12	Nil	15771755	17.12	Nil	Nil
2	Aditi Panandikar	5559013	6.03	Nil	5559013	6.03	Nil	Nil
3	Madhura Ramani	5184079	5.63	Nil	5184079	5.63	Nil	Nil
4	Aruna S Kare	4794714	5.20	Nil	4794714	5.20	Nil	Nil
5	Suresh G Kare	4060408	4.41	Nil	4060408	4.41	Nil	Nil
6	Suresh G Kare (HUF)	273500	0.30	Nil	273500	0.30	Nil	Nil
7	SPA Holdings Pvt. Ltd	18335000	19.90	Nil	18335000	19.90	Nil	Nil

Sl. No	Shareholder's name	Shareholding at the beginning of the year 01.04.2019			Shareholding at the end of the year 31.03.2020			% change 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	
8	Sharada R Kare	32500	0.04	Nil	32500	0.04	Nil	Nil
9	Pratima A Vaidya	26550	0.03	Nil	26550	0.03	Nil	Nil
10	Megh M Panandikar	–	–	Nil	11200	0.01	Nil	0.01
11	Sudha M Pai	10727	0.01	Nil	10727	0.01	Nil	Nil
12	Milind S Panandikar	7500	0.01	Nil	7500	0.01	Nil	Nil
13	Mahika M Panandikar	6100	0.01	Nil	6100	0.01	Nil	Nil
14	Rohan A Ramani	6100	0.01	Nil	6100	0.01	Nil	Nil
15	Ramnath G Kare	2000	–	Nil	2000	–	Nil	Nil
	<b>Total:</b>	<b>54069946</b>	<b>58.68</b>	<b>Nil</b>	<b>54081146</b>	<b>58.69</b>	<b>Nil</b>	<b>0.01</b>

iii) Change in Promoters'/ Promoter Group Shareholding (please specify, if there is no change)

Sl. No	Shareholder's name	Share holding at the beginning of the year		Date	Increase / (Decrease) in shareholding	Reason	Share holding at the end of the year	
		No. of shares	% of total shares of the Company				No of shares	% of total shares of the Company
1	Shanteri Investment Pvt. Ltd	15771755	17.12			No change	15771755	17.12
2	Aditi Panandikar	5559013	6.03			No change	5559013	6.03
3	Madhura Ramani	5184079	5.63			No change	5184079	5.63
4	Aruna S Kare	4794714	5.20			No change	4794714	5.20
5	Suresh G Kare	4060408	4.41			No change	4060408	4.41
6	Suresh G Kare (HUF)	273500	0.30			No change	273500	0.30
7	SPA Holdings Pvt. Ltd	18335000	19.90			No change	18335000	19.90
8	Sharada R Kare	32500	0.04			No change	32500	0.04
9	Pratima A Vaidya	26550	0.03			No change	26550	0.03
10	Megh M Panandikar	–	–	05-09-2019	11200	Purchase	11200	0.01
11	Sudha M Pai	10727	0.01			No change	10727	0.01
12	Milind S Panandikar	7500	0.01			No change	7500	0.01
13	Mahika A Panandikar	6100	0.01			No change	6100	0.01
14	Rohan Anup Ramani	6100	0.01			No change	6100	0.01
15	Ramnath G Kare	2000	–			No change	2000	–
	<b>Total:</b>	<b>54069946</b>	<b>58.68</b>		<b>11200</b>		<b>54081146</b>	<b>58.69</b>

iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	Shareholder's name	Share holding at the beginning of the year		Date	Increase / (Decrease) in shareholding	Reason	Share holding at the end of the year	
		No. of shares	% of total shares of the Company				No of shares	% of total shares of the Company
1	RELIANCE CAPITAL TRUSTEE CO LTD- A/C NIPPON Mutual FUND	5983784	6.49	05-07-2019	3000	Purchase	5986784	6.50
				19-07-2019	6984	Purchase	5993768	6.50
				02-08-2019	25000	Purchase	6018768	6.53
				23-08-2019	(501500)	Sale	5517268	5.99
				30-08-2019	3000	Purchase	5520268	5.99
				13-09-2019	1908	Purchase	5522176	5.99
				20-09-2019	2303	Purchase	5524479	6.00
				01-11-2019	(39029)	Sale	5485450	5.95
				22-11-2019	58895	Purchase	5544345	6.02
				29-11-2019	141285	Purchase	5685630	6.17
				20-12-2019	37138	Purchase	5722768	6.21
				27-12-2019	87978	Purchase	5810746	6.31
				31-12-2019	13524	Purchase	5824270	6.32
				17-01-2020	71779	Purchase	5896049	6.40
				24-01-2020	(75657)	Sale	5820392	6.32
				31-01-2020	68000	Purchase	5888392	6.39
				07-02-2020	48473	Purchase	5936865	6.44
		14-02-2020	97597	Purchase	6034462	6.55		
		06-03-2020	2009	Purchase	6036471	6.55		
		13-03-2020	19477	Purchase	6055948	6.57		
		20-03-2020	41826	Purchase	6097774	6.62		
2	HDFC TRUSTEE COMPANY LTD. A/C HDFC CAPITAL BUILDER VALUE FUND	1992269	2.16	10-05-2019	9500	Purchase	2001769	2.17
				24-05-2019	7100	Purchase	2008869	2.18
				21-06-2019	50000	Purchase	2058869	2.23
				29-06-2019	10000	Purchase	2068869	2.25
				19-07-2019	32617	Purchase	2101486	2.28
				23-08-2019	503000	Purchase	2604486	2.83
				06-09-2019	6220	Purchase	2610706	2.83
				31-01-2020	(5200)	Sale	2605506	2.83
				14-02-2020	(100000)	Sale	2505506	2.72
				21-02-2020	(250000)	Sale	2255506	2.45
				06-03-2020	7145	Purchase	2262651	2.46
				20-03-2020	6652	Purchase	2269303	2.46
		27-03-2020	29000	Purchase	2298303	2.49		

Sl. No	Shareholder's name	Share holding at the beginning of the year		Date	Increase / (Decrease) in shareholding	Reason	Share holding at the end of the year	
		No. of shares	% of total shares of the Company				No of shares	% of total shares of the Company
3	DSP Mutual fund	388357	0.42	05-04-2019	9541	Purchase	397898	0.43
				12-04-2019	12922	Purchase	410820	0.45
				26-04-2019	42246	Purchase	453066	0.49
				03-05-2019	4564	Purchase	457630	0.50
				10-05-2019	29867	Purchase	487497	0.53
				17-05-2019	10460	Purchase	497957	0.54
				24-05-2019	10844	Purchase	508801	0.55
				31-05-2019	29273	Purchase	538074	0.58
				14-06-2019	1698	Purchase	539772	0.59
				21-06-2019	29160	Purchase	568932	0.62
				12-07-2019	4686	Purchase	573618	0.62
				19-07-2019	20163	Purchase	593781	0.64
				26-07-2019	15440	Purchase	609221	0.66
				02-08-2019	13015	Purchase	622236	0.68
				23-08-2019	(3161)	Sale	619075	0.67
				06-09-2019	21590	Purchase	640665	0.70
				13-09-2019	800	Purchase	641465	0.70
				18-10-2019	1280665	Purchase	1922130	2.09
				25-10-2019	8676	Purchase	1930806	2.10
		4	ICICI PRUDENTIAL PHARMA HEALTHCARE AND DIAGANOSTICS (P.H.D) FUND	1491832	1.62	05-04-2019	1748	Purchase
				12-04-2019	1130	Purchase	1494710	1.62
				19-04-2019	13181	Purchase	1507891	1.64
				26-04-2019	49319	Purchase	1557210	1.69
				03-05-2019	3715	Purchase	1560925	1.69
				02-08-2019	10651	Purchase	1571576	1.71
				16-08-2019	390	Purchase	1571966	1.71
				23-08-2019	(390)	Sale	1571576	1.71
				13-09-2019	1745	Purchase	1573321	1.71
				20-09-2019	300	Purchase	1573621	1.71
				27-09-2019	1159	Purchase	1574780	1.71
				30-09-2019	802	Purchase	1575582	1.71
				04-10-2019	16234	Purchase	1591816	1.73
		20-03-2020	4588	Purchase	1596404	1.73		



Sl. No	Shareholder's name	Share holding at the beginning of the year		Date	Increase / (Decrease) in shareholding	Reason	Share holding at the end of the year	
		No. of shares	% of total shares of the Company				No of shares	% of total shares of the Company
5	IDFC CORE EQUITY FUND	1866518	2.03	05-04-2019	25882	Purchase	1892400	2.05
				14-06-2019	25859	Purchase	1918259	2.08
				05-07-2019	3800	Purchase	1922059	2.09
				27-09-2019	19682	Purchase	1941741	2.11
				24-01-2020	(29690)	Sale	1912051	2.07
				14-02-2020	(75000)	Sale	1837051	1.99
				21-02-2020	(200000)	Sale	1637051	1.78
				28-02-2020	(41230)	Sale	1595821	1.73
6	ASHISH AGARWAL	1465781	1.59	No change			1465781	1.59
7	MANGESHI INVESTMENT PRIVATE LIMITED	1167300	1.27	No change			1167300	1.27
8	AMAL N PARIKH	800000	0.87	No change			800000	0.87
9	KUNAL ASHOK KARE	634874	0.69	11-10-2019	(500)	Sale	634374	0.69
10	SALIL ASHOK KARE	633873	0.69	No change			633873	0.69

v) **Shareholding of Directors and Key Managerial Personnel:**

Sl. No	For Each of the Directors/KMP	Share holding at the beginning of the year		Cumulative share holding during the year	
		No. of shares	% of total shares of the Co.	No of shares	% of total shares of the Co.
<b>Directors</b>					
1	<b>Mr. Suresh G Kare - Chairman</b>				
	At the beginning of the Year	4060408	4.41		
	At the end of the year			4060408	4.41
2	<b>Mrs. Aditi Panandikar - Managing Director</b>				
	At the beginning of the Year	5559013	6.03		
	At the end of the year			5559013	6.03
3	<b>Mr. Sundeep V Bambolkar - Jt. Managing Director &amp; CFO</b>				
	At the beginning of the Year	465000	0.50		
	At the end of the year			465000	0.50
<b>KMP</b>					
1	<b>Mr. Mandar Borkar - CFO</b>				
	At the beginning of the Year	337	-		
	At the end of the year			517	-
2	<b>Mr. Jayshankar Menon - Company Secretary</b>				
	At the beginning of the Year	NIL	NIL		
	At the end of the year			NIL	NIL

## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>			
i) Principal Amount			
Working Capital	3,969.41	7,326.56	11,295.97
Term Loan	18,291.40	–	18,291.40
ii) Interest due but not paid			
iii) Interest accrued but not due	162.10	–	162.10
<b>Total (i+ii+iii)</b>	<b>22,422.91</b>	<b>7,326.56</b>	<b>29,749.47</b>
<b>Change in Indebtedness during the financial year</b>			
• Additional	6,333.66	19,537.89	25,871.55
• Reduction	9,341.58	20,001.01	29,342.59
<b>Net Change Increase / (Decrease)</b>	<b>(3,007.92)</b>	<b>(463.12)</b>	<b>(3,471.04)</b>
<b>Indebtedness at the end of the financial year</b>			
i) Principal Amount			
Working Capital	3,679.81	6,863.44	10,543.25
Term Loan	15,573.08	–	15,573.08
ii) Interest due but not paid	–	–	–
iii) Interest accrued but not due	164.19	–	164.19
<b>Total : (i+ii+iii)</b>	<b>19,417.08</b>	<b>6,863.44</b>	<b>26,280.52</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ Lakhs)

Sl. No	Particulars of Remuneration	Executive Chairman	Managing Director	Jt. Managing Director	Total Amount
		Mr. Suresh G Kare-Executive	Mrs. Aditi Panandikar	Mr. Sundeep V Bambolkar	
1	Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	207.00	161.28	147.07	515.35
	Value of perquisites u/s 17(2) Income Tax Act, 1961	0.39	2.79	2.79	5.97
	Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission/Incentive	NIL	NIL	NIL	NIL
5.	Others, please specify - PF & Super Annuation	16.56	36.76	32.98	86.30
	<b>Total (A)</b>	<b>223.95</b>	<b>200.83</b>	<b>182.84</b>	<b>607.62</b>

Note:

- As per Section IV- Schedule III of the Companies Act, 2013, Company contribution to Provident Fund and Super Annuation Fund is not considered while calculating the ceiling of Remuneration.
- Members have by way of Postal Ballot, on March 7, 2019, passed a Special Resolution approving the payment of remuneration without restriction in case of no profit or inadequate profit.

**B. Remuneration to other directors:**

(₹ Lakhs)

Sl. No	Particulars of Remuneration	Name of Directors					Total Amount
		Dr. Anil M Naik	Mr. Sharad P Upasani	Mr. Rajiv P Kakodkar	Mr. Divakar M Gavaskar	Dr. Anand Nadkarni	
	<b>Independent Directors</b>						
	Fee for attending board committee meetings	4.40	4.00	4.00	3.40	-	<b>15.80</b>
	Commission						
	Others, please specify						
	<b>Total (1)</b>	<b>4.40</b>	<b>4.00</b>	<b>4.00</b>	<b>3.40</b>	<b>-</b>	<b>15.80</b>
	<b>Other Non Executive Directors</b>						
	Fee for attending board committee meetings					1.60	<b>1.60</b>
	Commission						
	Others, please specify						
	<b>Total (2)</b>					<b>1.60</b>	<b>1.60</b>
	<b>Total (B)=(1+2)</b>	<b>4.40</b>	<b>4.00</b>	<b>4.00</b>	<b>3.40</b>	<b>1.60</b>	<b>17.40</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/WTD**

(₹ Lakhs)

Sl. No.	Particulars of remuneration	Key Managerial Personnel	Key Managerial Personnel
		CFO	Company Secretary
1.	Gross salary		
	a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	62.55	27.29
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	1.11	0.69
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	NIL	NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Performance Incentive	5.00	NIL
5.	Others, please specify PF & Super Annuation	8.91	1.05
	<b>Total:</b>	<b>77.57</b>	<b>29.03</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of penalty/punishment/compounding fees imposed	Authority (RD/NCLT/COURT)	Appeal made, if any (give details)
<b>A. COMPANY</b>					
	Penalty		NA	NA	NA
	Punishment		NA	NA	NA
	Compounding		NA	NA	NA
<b>B. DIRECTORS</b>					
	Penalty		NA	NA	NA
	Punishment		NA	NA	NA
	Compounding		NA	NA	NA
<b>C. OTHER OFFICERS IN DEFAULT</b>					
	Penalty		NA	NA	NA
	Punishment		NA	NA	NA
	Compounding		NA	NA	NA

For and on behalf of the Board of Directors

**SURESH G KARE**  
*Chairman*

DIN: 00179220

Place : Mumbai  
Date : June 24, 2020

## Annexure-G to the Directors' Report

### Business Responsibility Report

#### Section A : General Information about the Company

1	Corporate Identity Number (CIN)	L85190MH1985PLC005913
2	Name of the Company	Indoco Remedies Limited
3	Registered Address	Indoco House, 166 CST Road, Kalina, Santacruz (East) Mumbai 400098
4	Website	<a href="http://www.indoco.com">www.indoco.com</a>
5	Email id	<a href="mailto:compliance.officer@indoco.com">compliance.officer@indoco.com</a>
6	Financial Year Reported	April 1, 2019 to March 31, 2020
7	Sector(s) that the Company is engaged in	<b>Industrial Group:</b> 210 <b>Description:</b> Manufacture of Pharmaceuticals (As per National Industrial Classification 2008 (NIC) by the Ministry of Statistics and Programme Implementation)
8	List three key products that the Company manufactures	1. Febrex Plus 2. Cyclopm 3. Sensodent-K
9	Total Number of locations where business activity is undertaken by the Company	10 (Ten)
	Number of International Locations	The Company has presence in over 55 countries across the world
10	Markets Served by the Company (Local/ State/National/International)	In addition to serving the Indian Market, the Company exports to over 55 countries worldwide

#### Section B : Financial Details of the Company

1	Paid up capital (INR)	18.43 crores
2	Total Turnover (INR)	1,108.43 crores
3	Total Profit /(Loss) After Tax (INR)	24.25 crores
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)	Indoco spent an amount of ₹ 92.91 Lakhs for the year ended March 31, 2020 which is 3.83% of profit after tax
5	List of activities in which expenditure in 4 above has been included	Refer to Principle 8 under Section E below

#### Section C: Other Details

1	Does your Company have subsidiary Companies	Yes
2	Does The subsidiary companies participate in BR Initiatives of the parent company	No
3	Does any other entity that the Company does business with participate in the BR initiatives of the Company	No

**Section D: BR Information**

1	Details of Director responsible for BR										
	a) Details of Director responsible for BR										
	DIN		00176613								
	Name		Mr. Sundeep V Bambolkar								
	Designation		Jt. Managing Director								
	b) Details of BR Head										
	DIN		00176613								
	Name		Mr. Sundeep V Bambolkar								
	Designation		Jt. Managing Director								
	Telephone Number		022 -68321400								
	e-mail id		compliance.officer@indoco.com								
2	Principle-wise BR Policy										
No	Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for		Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the Policy been formulated with the relevant Stakeholders		All Policies have been approved by the Board and have formulated in consultation with the management of the Company and is approved by the Board								
3	Does the Policy conform to National/ International Standards		The policies are broadly based on the National Voluntary Guidelines on social responsibilities and economical responsibilities of business issued by the Ministry of Corporate Affairs, Government of India.								
4	Has the Policy been approved by the Board		All Policies are approved by the Board and have been signed by the Managing Director								
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the Policy		The Board has appointed Mr. Sundeep V Bambolkar- Jt. Managing Director to oversee policy implementation								
6	Indicate the link for the policy to be viewed online		<a href="http://www.indoco.com">www.indoco.com</a>								
7	Has the Policy been formally communicated to all relevant internal and external stakeholders		YES								
8	Does the Company have an in-house structure to implement the policy		Y	Y	Y	Y	Y	Y	-	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy to address stakeholders grievances related to the policy		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/external agency		Y	Y	Y	Y	Y	Y	-	Y	Y

2a	If answer to Sl. No. 1 against any principle is "No", please explain why									
No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done in the next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done in the next 1 year	-	-	-	-	-	-	-	-	-
6	Any Other Reason	-	-	-	-	-	-	*	-	-
		*. The Company is a member of various trade bodies, chambers and associations through which it has been advocating from time to time in a responsible manner about measures to be taken by the government to address issues related to pharmaceutical industry. Hence no need has been felt to formulate a specific policy for the same								
3	Governance Related to BR									
	Indicate the frequency with which the Board of Directors assess the BR performance of the Company- within 3 months, 3-6 months, Annually, More than a Year	Annually								
	Does the Company publish a BR or Sustainability Report? What is the hyper link for viewing this report? How frequently is it published	The Company does not publish a BR or Sustainability Report. Details pertaining to Corporate Social Responsibility (CSR) activities have been given in the CSR Report given in Annexure 'B' to the Directors Report								

### Section E: Principle-wise performance

#### Principle 1

- 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 Company firmly believes in transparent, fair and ethical business practice. The Company has a Code of Conduct for Directors and Senior Management as well as a Code for Independent Directors. The Company also has following Policies in place: (a) Whistleblower Policy (b) Prevention of Sexual harassment. These Policies lay down the rules and procedures ways of which the employees can report any suspected wrongdoing or fraudulent business practices without fear of reprisals, thereby helping Indoco uphold its high standards.**

- 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.

**During the year the Company did not receive any stakeholder complaints.**

## Principle 2

- 1 List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
  - a. **Alogliptin is a DPP-4 inhibitor approved by US-FDA in January 2013 and also approved by DCGI in August, 2014. Indoco has developed Alogliptin Benzoate, the active ingredient as well as formulation in its own manufacturing unit after extensive research, making it available at affordable prices to a large population in the society.**
  - b. **Praztac –D.: Indoco has developed a unique dual release composition that results in two separate release of Pantoprazole over two distinct pH range. The first peak occurs at one to two hours after administration, followed by a second peak within four to five hours. This Novel drug delivery platform benefits for a prolonged and effective control on acid peptic disorders with patient compliant once a day dose of Pantoprazole at an affordable price.**
- 2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional).
  - i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

**The Company manufactures and distributes a wide range of formulations, generics and active pharmaceutical ingredients. As consumption per unit depends on the product mix, there are no specific standards to ascertain reduction achieved at product level.**
  - ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

**The Company's products do not have any broad based impact on energy and water consumption. However, the Company takes several measures to reduce the consumption of energy and water.**
- 3 Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

**The Company chooses its suppliers through strictly laid down procedures. Material is procured from approved vendors. The Company conducts surprise audits of the vendors to ensure quality. The Company also enters into long term contracts with transporters for the movement of goods.**
- 4 Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

**Yes. The Company procures goods and services from local vendors in and around the factory locations. The Company also provides technical support cum operational knowledge for improvement in the vendor value chain and safety standards.**
- 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.

**Yes. About 20% of waste water generated is recycled. The Company has installed Multi Effect Evaporator (MEE) system by which, treated effluent passes through MEE to get distilled water, which can be used for cooling towers.**



### Principle 3

- 1 Please indicate the Total number of employees.  
**5860 permanent employees as on March 31, 2020.**
- 2 Please indicate the Total number of employees hired on temporary / contractual / casual basis.  
**953 employees hired on temporary/contractual/casual basis as on March 31, 2020.**
- 3 Please indicate the Number of permanent women employees.  
**494 Permanent employees as on March 31, 2020.**
- 4 Please indicate the Number of permanent employees with disabilities.  
**To avoid discrimination, Indoco does not record any information regarding employee disabilities.**
- 5 Do you have an employee association that is recognized by management.  
**Yes, Indoco has Employee association at Goa, Waluj and Rabale for permanent workmen employed.**
- 6 What percentage of your permanent employees is members of this recognized employee association?  
**About 1.2% of the permanent employees are members of the recognised employee association.**
- 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.  
**NIL**
- 8 What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?  
Permanent Employees : **More than 70% of employees are imparted training in safety.**  
Permanent Women Employees: **100% of permanent employees are trained in safety. The Company makes no discrimination while imparting training to women employees vis-a-vis their male employees.**  
Casual/Temporary/Contractual Employees: **100% in operating functions are imparted training**  
Employees with Disabilities : **Indoco makes no discrimination while imparting training to employees with disabilities.**

### Principle 4

- 1 Has the company mapped its internal and external stakeholders? Yes/No  
**Yes**
- 2 Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.  
**Yes**
- 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.  
**Indoco 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. Indoco through the Suresh Kare Indoco Foundation identifies their needs and addresses them to the extent possible.**

### Principle 5

- 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 Company's 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?

**No Stakeholder complaints were received during the year under consideration.**

### Principle 6

- 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 the Company, its subsidiaries and all contractors working within the Company premises.**

- 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.

**Yes. Efforts are directed towards energy conservation by reducing and eliminating waste.**

- 3 Does the company identify and assess potential environmental risks? Y/N

**Yes. Risk mitigation strategies and contingency measures are reviewed every year.**

- 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?

**At present the Company does not have any Project related to Clean Development Mechanism.**

- 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.

1. **Installation of High speed Blister pack machine to increase production and saving of Electricity.**
2. **Implementation of pressure impedance balancing control valve to all air handling systems to control chilled water and utility.**
3. **Carried out Chillers Integration at Goa Plant. This has resulted in optimum Utilization of Existing Chilling Capacity.**
4. **Replacement of old motors with 5 star rating motors to save electricity.**

- 6 Are there 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.

**NIL**

### Principle 7

- 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:

**Bombay Chamber of Commerce  
Indian Drug Manufacturers Association  
Indo German Chamber of Commerce  
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 has advocated measures to be taken in order to address basic issues related to improvement of public health. Efforts are also made to promote the use of generic medicines which would make medical treatment affordable to all.**

#### Principle 8

- 1 Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

**Indoco focuses on responsible business practices. The main areas are skill development, employability training, education and healthcare.**

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

**Indoco conducts assessment through employee volunteerism of its CSR initiatives through feedback from the beneficiaries of projects undertaken.**

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

**Yes**

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

**These are detailed in Annexure B of the Board Report.**

- 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.

**Yes. Most of the Company's programmes are participatory in nature and focus on institutional development and capacity building.**

#### Principle 9

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

**NIL**

- 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 all laws with respect to product labelling and display 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 behaviour during the last five years and pending as on 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?

**Consumer surveys are regularly carried out by the Company at the Doctor level.**

## Annexure to the Directors' Report Report on Corporate Governance for the year ended March 31, 2020

### Indoco's Philosophy on Code of Governance:

Indoco fully subscribes to the principles and spirit of Corporate Governance. The Company has adopted transparency, disclosure, accountability and ethics as its business practices. The management believes that these principles will enable it to achieve the long-term objectives and goals. As part of its Corporate Governance philosophy, Indoco focuses its energies in safeguarding the interests of its stakeholders by utilizing its resources for maximum benefits.

The Company constantly reviews its Corporate Governance policy to not only comply with the business, legal and social framework in which it operates, but also to implement the best international practices in that regard.

### BOARD OF DIRECTORS

#### Composition and Size:

The Company's policy is to have a proper blend of Executive and Non-Executive Directors to maintain independence of the Board and at the same time separate Board's functions of governance from management. As at March 31, 2020 in compliance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company's Board of Directors headed by its Chairman – Mr. Suresh G Kare, comprises of Eight Other Directors, out of which Five Directors are Independent Non-Executive Directors. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies. The Board confirms that the Independent Directors fulfil the conditions specified in these regulations and that they are Independent of the management.

The day-to-day management of the Company is conducted by the Chairman, Managing Director and Joint Managing Director subject to the supervision, direction and control of the Board of Directors.

The Directors are not related to each other in terms of the definition of "relative" under the Companies Act, 2013, except Ms. Aditi Panandikar, Managing Director, who is the daughter of the Chairman, Mr. Suresh G Kare.

#### The Composition of the Board of Directors, the number of other Directorships and Committee positions held by each Director as on March 31, 2020 is as under:

Name of Director	Category of Directorship	Number of other Directorship		Number of Chairmanship/ Membership in committees of other companies **	
		Of Indian Public Limited Companies	Of other Companies*	Chairman	Member
Mr. Suresh G Kare	Promoter & Chairman	1	2	Nil	Nil
Ms. Aditi Panandikar	Promoter & Managing Director	Nil	2	Nil	Nil
Mr. Sundeep V Bambolkar	Joint Managing Director	Nil	2	Nil	Nil
Mr. Divakar M Gavaskar	Independent Non-Executive	Nil	1	Nil	Nil
Mr. Rajiv P Kakodkar	Independent Non-Executive	1	Nil	Nil	Nil
Mr. Sharad P Upasani	Independent Non-Executive	1	2	3	2
Dr. Anil M Naik	Independent Non-Executive	2	1	Nil	Nil
Dr. (Ms) Vasudha V Kamat (wef March 27, 2020)	Independent Non-Executive	Nil	Nil	Nil	Nil
Dr. Anand Nadkarni	Non-Executive	Nil	Nil	Nil	Nil

\* Include Directorships in Private Limited / Section 8 Companies.

\*\* Represents Membership/Chairmanship of Audit Committee / Stakeholders Relationship Committee/Nomination and Remuneration Committee/ CSR Committee in other Companies.

### Names of the Listed entities where the person is a director and the category of directorship

Name of Director	Name of Listed entity	Category of Directorship
Dr. Anil M Naik	Dai-Ichi Karkaria Limited (CIN: L24100MH1960PLC011681)	Independent Non-Executive
	Greycells Education Limited (CIN: L65910MH1983PLC030838)	Independent Non- Executive
Mr. Sharad P Upasani	Blue Dart Express Limited (CIN: L61074MH1991PLC061074)	Chairman - Independent Non- Executive
Mr. Rajiv P Kakodkar	Vasundhara Rasayans Limited (CIN:L24110TG1987PLC007242)	Independent Non- Executive

**Note:**

- None of the Directors of the Company were members of more than 10 committees or acted as Chairperson of more than 5 committees across all Public Limited Companies in which they were Directors in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- None of the Directors held directorship in more than 10 Public Limited Companies.
- None of the Independent Directors of the Board served as Independent Director in more than 7 listed companies.
- None of the Directors held directorship in more than 7 Listed entities.

Brief profiles of all the Directors are available on the website of the Company at <https://www.indoco.com/aboutus-directors.asp>.

### BOARD MEETINGS:

During the year, the Board met **Four (4)** times on May 29, 2019, August 13, 2019, October 30, 2019 and January 23, 2020. The maximum gap between any two Board Meetings was less than one hundred and twenty days. All material information was circulated to the Directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of Sub-Regulation 7 of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Company has proper systems to enable the Board to periodically review compliance reports of all laws applicable to the Company, as prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances on a half-yearly basis. None of the Non-Executive Directors held any equity shares of the Company during the financial year ended March 31, 2020.

### Attendance of each Director at the Board Meetings held in financial year 2019-2020 and at the last Annual General Meeting of the Company:

Name of the Director	No. of Board Meetings held during the year	No. of Board Meetings attended	Attendance at the last AGM held on 28.08.2019
Mr. Suresh G Kare	4	4	Present
Ms. Aditi Panandikar	4	4	Present
Mr. Sundeep V Bambolkar	4	4	Present
Mr. Divakar M Gavaskar	4	4	Present
Mr. Rajiv P Kakodkar	4	3	Present
Mr. Sharad P Upasani	4	4	Present
Dr. Anil M Naik	4	4	Present
Dr. Anand Nadkarni	4	4	Present
Dr. (Ms) Vasudha V Kamat (wef March 27, 2020)	4	NA	NA

## **FAMILIARIZATION PROGRAMME FOR DIRECTORS**

At the time of appointment of a Director, a formal letter of appointment is given explaining the role, duties and responsibilities expected of him/her as a Director of the Company. He/She is also explained the Compliance required from him/under the Companies Act, 2013, Listing Regulations and other various statutes and an affirmation is obtained. As part of the Agenda of the Board Meeting, presentations are regularly made to the Independent Directors on various matters covering the Company, industry, regulatory updates, strategy, finance and also the role, rights, responsibilities of the Independent Directors.

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- i) Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values), major risks / threats and potential opportunities and knowledge of the industry in which the Company operates
- ii) Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company
- iii) Business Strategy, Sales & Marketing, Corporate Governance, Administration, Decision Making
- iv) Financial and Management skills
- v) Technical / Professional skills and specialized knowledge in relation to Company's business

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

## **COMMITTEES OF THE BOARD:**

Currently, the Board has the following Committees

- Audit Committee
- Stakeholder Relationship Committee
- CSR Committee
- Nomination and Remuneration Committee
- Executive Committee of Directors

The Board decides the terms of reference of these Committees.

### **a) AUDIT COMMITTEE:**

#### **Composition:**

The Audit Committee comprises of following five (5) members. Four (4) are Independent Directors and one is the Joint Managing Director:

1. Dr. Anil M Naik – Chairman (Independent Director)
2. Mr. Divakar M Gavaskar – Member (Independent Director)
3. Mr. Rajiv P Kakodkar – Member (Independent Director)
4. Mr. Sharad P Upasani – Member (Independent Director)
5. Mr. Sundeep V Bambolkar - Member (Jt. Managing Director)

**Terms of reference:**

The terms of reference of the Audit Committee are wide covering the matters specified under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the provisions contained in Section 177 of the Companies Act, 2013 and they can be broadly stated as follows:

- a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and fair.
- b) Recommending to the Board, the appointment, re-appointment of the statutory auditors, fixation of audit fees and fees for other services.
- c) Reviewing with the management the quarterly financial statements before submission to the board for approval.
- d) Reviewing the adequacy of internal control systems and internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- e) Discussing with internal auditors any significant findings and follow-up thereon.
- f) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal financial control systems of a material nature and reporting the matter to the Board.
- g) Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- h) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- i) Scrutiny of corporate loans and investments.
- j) Approval or subsequent modification of transactions with related parties.
- k) Valuation of the undertaking or asset of the company wherever it is necessary.
- l) Monitoring the end use of funds raised through public offers and related matters.
- m) In addition to the above, all items listed in Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- n) Review of functioning of Whistle blower policy.

**Meetings and attendance:**

During the financial year the Audit Committee met **Four (4)** times: May 29, 2019, August 13, 2019, October 30, 2019 and January 23, 2020. The attendance of the Members of the Committee at the said Meetings were as follows:

Name of the Director	No. of Audit Meetings held during the year	No. of Audit Meetings attended
Dr. Anil M Naik	4	4
Mr. Divakar M Gavaskar	4	4
Mr. Rajiv P Kakodkar	4	3
Mr. Sharad P Upasani	4	4
Mr. Sundeep V Bambolkar	4	4

The maximum gap between any two meetings was less than one hundred and twenty days.

Mr. Jayshankar Menon, Company Secretary, acts as the Secretary of the Committee.

The Statutory Auditor of the company was present at Four (4) audit committee meetings held during the year.

The Chairman of the Audit Committee was present at the last Annual General Meeting.

#### b) **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Committee comprises of:

1. Mr. Rajiv P Kakodkar, Chairman (Independent Director)
2. Ms. Aditi Panandikar, Member (Managing Director)
3. Mr. Sundeep V Bambolkar, Member – (Jt. Managing Director)

**Terms of reference:** The Committee looks into the redressal of shareholder's/investors' complaints related to non-receipt of annual report, non-receipt of declared dividends, issue of share certificates, transfer of shares, etc. The Committee oversees the performance of the Registrars and Share Transfer Agents of the Company and recommends measures for overall improvement of the quality of service.

#### **Meetings and attendance:**

During the financial year **Four (4)** Committee Meetings were held: on April 25, 2019, August 28, 2019, October 30, 2019 and January 23, 2020. The attendance of the Members of the Committee at the said Meetings were as follows:

<i>Name of the Director</i>	<i>No. of Meetings held during the year</i>	<i>No. of Meetings attended</i>
Mr. Rajiv P Kakodkar	4	4
Ms. Aditi Panandikar	4	4
Mr. Sundeep V Bambolkar	4	4

Mr. Jayshankar Menon, Company Secretary, acts as the Secretary of the Committee.

#### **Details of Shareholders Complaints:**

<i>Particulars</i>	<i>No. of complaints</i>
Investor complaints pending as at April 1, 2019	–
Investor complaints received during the year ended on March 31, 2020 (The complaints pertained to revalidation of dividend warrants and non-receipt of Annual Reports)	–
Investor complaints resolved during the year ended March 31, 2020	–
Investor complaints pending as on March 31, 2020	–

#### c) **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR):**

The Committee comprises of:

- Ms. Aditi Panandikar, Chairperson (Managing Director)  
Mr. Sundeep V Bambolkar, Member (Jt. Managing Director)  
Dr. Anil M Naik, Member (Independent Director)



**Terms of reference:** The CSR committee will provide guidelines and assistance in order to implement the CSR activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013. The guidelines are framed so as to cover the compliances under the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Policy is updated on the Company website and can be accessed at : <https://www.indoco.com/policies/CSR.pdf>

**Meetings and attendance:**

During the financial year, **Two (2)** CSR Committee Meetings were held: on May 29, 2019, and January 23, 2020. The attendance of the Members of the Committee at the said Meetings were as follows:

<i>Name of the Director</i>	<i>No. of Meetings held during the year</i>	<i>No. of Meetings attended</i>
Ms. Aditi Panandikar	2	2
Mr. Sundeep V Bambolkar	2	2
Dr. Anil M Naik	2	2

Mr. Jayshankar Menon, Company Secretary, acts as the Secretary of the Committee.

**d) NOMINATION AND REMUNERATION COMMITTEE:**

The Committee comprises of:

1. Dr. Anil M Naik, Chairman (Independent Director)
2. Mr. Rajiv P Kakodkar, Member (Independent Director)
3. Mr. Sharad P Upasani, Member (Independent Director)

The terms of reference of the Nomination and Remuneration Committee are wide covering the matters specified under Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Section 178 of the Companies Act, 2013. They can be broadly stated as follows:

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets performance benchmarks, and involves a balance between fixed and incentive pay.
- To identify persons who may be appointed in senior management in accordance with the criteria laid down.
- To carry out evaluation of every Director’s performance and recommend to the board his/her appointment and removal based on the performance.
- To recommend & review remuneration package of Executive Directors.
- To approve & evaluate the performance of Executive Directors & Senior Management.
- To approve formulating the compensation plans, policies and programs of the Company.

**Performance Evaluation Criteria for Independent Directors:**

The performance evaluation criteria for Independent Directors is determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a Director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behavior and judgment.

**Meetings and attendance:**

During the financial year, **Three (3)** meeting on May 29, 2019, October 30, 2019, March 16, 2020 were held.

<i>Name of the Director</i>	<i>No. of Meetings held during the year</i>	<i>No. of Meetings attended</i>
Dr. Anil M Naik	3	3
Mr. Rajiv P Kakodkar	3	3
Mr. Sharad P Upasani	3	3

There were no pecuniary relationships and transactions of the Non - Executive Directors vis-à-vis the Company.

**e) EXECUTIVE COMMITTEE OF DIRECTORS:**

The Committee comprises of:

1. Mr. Suresh G Kare (Chairman)
2. Ms. Aditi Panandikar, Member (Managing Director)
3. Mr. Sundeep V Bambolkar, Member – (Jt. Managing Director)

**Terms of reference:** The Committee looks into the day to day operations of the Company.

**Meetings and attendance:**

During the financial year, Eight (8) Executive Committee Meetings were held:

June 14, 2019, July 2, 2019, August 24, 2019, August 28, 2019, September 18, 2019, November 14, 2019, December 11, 2019, February 14, 2020.

All the Directors were present at these Meetings.

**INDEPENDENT DIRECTORS MEETING**

During the year, separate meetings of the Independent Directors was held on October 30, 2019 without the attendance of Non-Independent Directors and members of the Management.

<i>Name of the Director</i>	<i>No. of Meetings held during the year</i>	<i>No. of Meetings attended</i>
Dr. Anil M Naik	1	1
Mr. Sharad P Upasani	1	1
Mr. Divakar M Gavaskar	1	1
Mr. Rajiv P Kakodkar	1	1

The Independent Directors met inter alia to discuss:

- Evaluation of the performance of Non-Independent Directors and Board of Directors as a whole.
- Evaluation of the performance of the Chairman of the Company taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and Board that is necessary for the Board to effectively and reasonably perform its duties.

The evaluation has been started to improve Board effectiveness, maximize strength and tackle weaknesses. The criteria for evaluation included:

- Setting up of annual goals
- Periodic review of corporate strategy
- Display of leadership qualities
- Development of Policies and strategic plans aligned with the Vision and Mission of the Company
- Establishment of an effective organization structure to ensure there is management focus on key functions
- Whether information provided to the Board is appropriate, timely and unbiased
- Whether relationships and communications with shareholders are well managed
- Whether directors effectively probe the information resented by the management

The performance evaluation of the Independent Directors was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process.

## REMUNERATION TO DIRECTORS:

### Remuneration Policy:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of the 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.

Individual Directors including the Chairman of the Board, were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders, etc.

The performance evaluation of the Chairman and the Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Company Secretary & CFO.

The Directors expressed their satisfaction with the evaluation process.

The Executive Directors were paid remuneration as approved by the Board and the members in General Meeting. The remuneration comprises of salary, perquisites, allowances and commission/ performance incentive.

The Non-Executive Independent Directors are paid remuneration by way of sitting fees for attending the meetings of the Board or Committee thereof.

### Information as per Rule 5(1) of Chapter XIII the Companies (Appointment and Remuneration) of Management Personnel Rules 2014

#### 1) Executive Directors:

(₹ in Lakhs)

Name of Director	Salary	Perquisites	Others- PF & superannuation	Commission/ Performance Linked Incentives	Stock Options	Total
	₹	₹	₹	₹	₹	₹
Mr. Suresh G Kare	207.00	0.39	16.56	Nil	Nil	<b>223.95</b>
Ms. Aditi Panandikar	161.28	2.79	36.76	Nil	Nil	<b>200.83</b>
Mr. Sundeep V Bambolkar	147.07	2.79	32.98	Nil	Nil	<b>182.84</b>

2) **Non-Executive Directors:**

<i>Name of Director</i>	<i>Sitting fees (₹ in Lakhs)</i>
Dr. Anil M Naik	4.40
Mr. Sharad P Upasani	4.00
Mr. Rajiv P Kakodkar	4.00
Mr. Divakar M Gavaskar	3.40
Dr. Anand Nadkarni	1.60

**Notes:**

The sitting fees indicated above includes fees paid for attending Meetings of the Board and Committees.

There is no severance fee payable.

3) **Key Managerial Personnel (KMP):**

(₹ in Lakhs)

<i>Name of KMP</i>	<i>Salary</i>	<i>Benefits &amp; Perquisites</i>	<i>Commission / Performance Linked Incentives</i>	<i>Others- PF &amp; Super Annuation</i>	<i>Total</i>
	₹	₹	₹		₹
Mr. Mandar Borkar	62.55	1.11	5.00	8.91	77.57
Mr. Jayshankar Menon	27.29	0.69	Nil	1.05	29.03

**Subsidiary Companies:**

Following Companies are subsidiaries of the Company

<b>Name</b>	<b>Percentage of Holding</b>
Xtend Industrial Designers & Engineers Pvt. Ltd	100%
Indoco Remedies Czech S.R.O	100%

**Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

The following is a summary of sexual harassment complaints received and disposed off during the year 2019-2020:

- No of complaints received: Nil
- No of complaints disposed off: Nil

**Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:**

<b>Payment to Statutory Auditors FY 2019-2020</b>	<b>₹ in Lakhs</b>
Audit Fees	7.25
GST Audit Fees	4.25
Other Services	2.16
Reimbursement of expenses	0.79
<b>Total</b>	<b>14.45</b>

## RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 during the financial year were in the ordinary course of business and on an arms length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Ind AS has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website: [http://www.indoco.com/policies/related\\_party\\_transaction\\_policy.pdf](http://www.indoco.com/policies/related_party_transaction_policy.pdf)

## DISCLOSURES:

- 1) There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors or the management, their subsidiaries or relatives etc., during the year, that may have the potential conflict with the interests of the Company at large.
- 2) The Board has received disclosures from key managerial personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.
- 3) There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any statutory authority.
- 4) All mandatory requirements as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 have been complied with by the Company.
- 5) The Company follows Accounting Standards issued by The Institute of Chartered Accountants of India and there are no statutory audit qualifications in this regard.
- 6) In terms of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 the Managing Director and the Joint Managing Director have made a certification to the Board of Directors in the prescribed format for the year under review which has been reviewed by the Audit Committee and taken on record by the Board.

## GENERAL BODY MEETINGS:

**Corporate Identity Number (CIN):** L85190MH1947PLC005913 The Company is registered at Mumbai in the State of Maharashtra, India.

## Annual General Meeting:

The details of the last three Annual General Meetings held:

<i>Financial Year</i>	<i>AGM</i>	<i>Date</i>	<i>Time</i>	<i>Location of the AGM</i>
2018-2019	72 <sup>nd</sup>	August 28, 2019	10.30 a.m.	MIG Cricket Club. MIG Colony, Bandra East, Mumbai 400051
2017-2018*	71 <sup>st</sup>	September 11, 2018	10.30 a.m.	
2016-2017	70 <sup>th</sup>	August 09, 2017	10.30 a.m.	

\* One Special Resolutions was passed at the AGM- Re-appointment of Mr. Suresh G Kare, Chairman for a further period of five years w.e.f. 01.07.2018

## MEANS OF COMMUNICATION:

### Financial Results

The quarterly and annual financial results are generally published in the Business Standard (All India Edition) and Mumbai Lakshdeep. The results are also displayed on Company's website: [www.indoco.com](http://www.indoco.com). The official news releases are also displayed on the website of the Company.

### Presentation to Institutional Investors/Analysts

Tele-conferences were held with Institutional Investors/Analysts at the end of every quarter after the declaration of the Quarterly Results. The Company also regularly met Institutional Investors during the year.

## GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting:

Date & Time	Thursday, September 24, 2020 at 10.30 A.M.
Venue	Through Video Conferencing/OAVM
Financial Year	April 1, 2019 to March 31, 2020
Date of Book closure	September 22, 2020 to September 24, 2020 (both days inclusive)
Dividend Payment Date	On or after September 29, 2020

### Insider Trading:

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted w.e.f. April 01, 2019 the Revised "Code of Conduct to Prevent Inside Trading."

The code is posted on the Company Website. The Company keeps the Code updated as per the requirements of SEBI from time to time - [https://www.indoco.com/policies/code\\_of\\_conduct\\_to\\_prevent\\_insider\\_trading.pdf](https://www.indoco.com/policies/code_of_conduct_to_prevent_insider_trading.pdf)

### Code of Conduct:

The Company has adopted a Code of Conduct for Directors and Senior Management, which is hosted on the website of the Company. It is the responsibility of all employees and Directors to familiarize themselves with the Code and comply with the same.

The Code includes whistle blower provisions, where the employees of the Company can voice their concerns on violation and potential violation of this Code in a responsible and effective manner.

The Company affirms that under the provisions of the Whistle blower Policy, it does not deny any personnel access to the Audit Committee and that it will provide protection to whistle blower from adverse personnel action.

The Managing Director of the Company has given a declaration of due compliance with Code of Conduct by the Directors and Senior Management.

### Listing on Stock Exchanges:

The Company's shares are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. The annual listing fees have been paid upto March 31, 2021 and there is no outstanding payment towards the Exchanges, as on date.

## Stock Code

Bombay Stock Exchange	532612
National Stock Exchange of India Limited	INDOCOEQ

## MARKET PRICE DATA

The High and Low prices of the Company's share (of the face value of ₹ 2/- each) from April, 2019 till March, 2020 are as below:

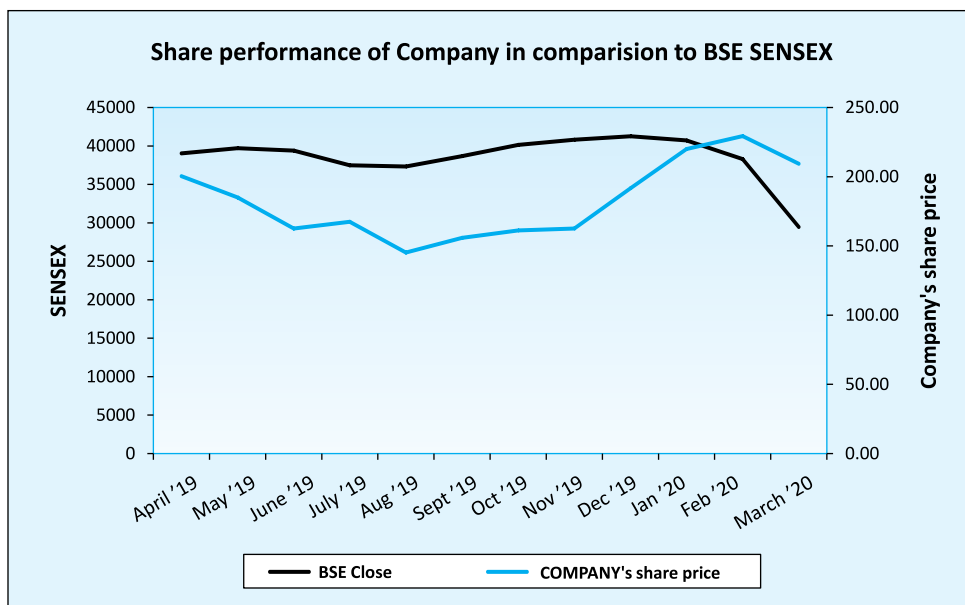
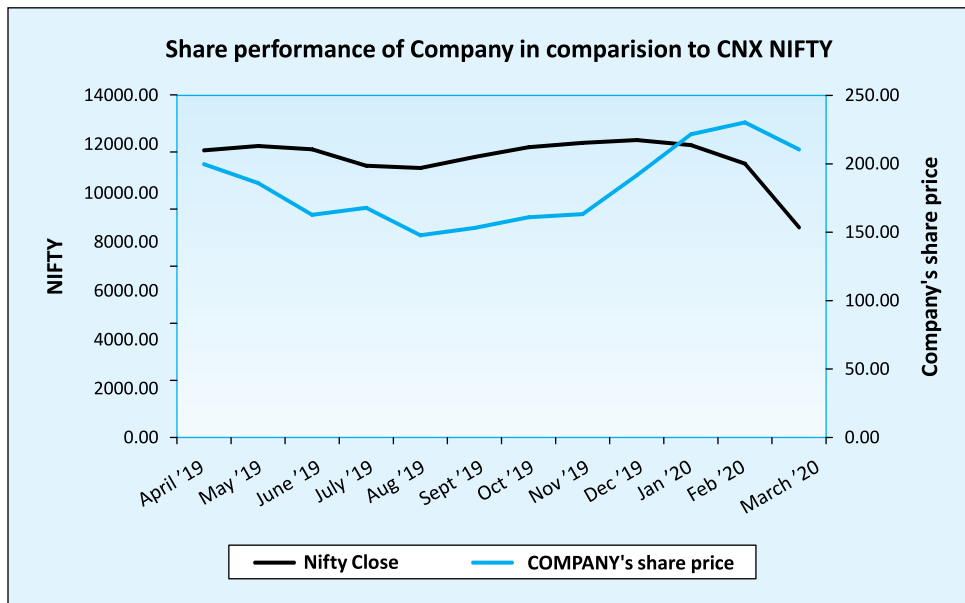
### National Stock Exchange of India Limited (NSE)

Month	Share Price (₹)			No. of Shares Traded	Turnover ₹ In Lakhs
	High	Low	Close		
April'19	224.90	185.00	199.70	9,13,676	1,884.17
May'19	199.60	179.00	185.90	3,68,757	687.43
June'19	187.55	134.40	162.65	5,69,396	936.24
July'19	183.10	146.30	167.75	10,44,783	1,735.91
August'19	166.95	133.15	147.75	10,35,365	1,554.96
September'19	184.30	150.00	153.15	6,29,706	1,026.62
October'19	178.00	132.45	160.95	12,07,362	1,923.19
November'19	178.90	140.00	163.15	17,57,416	2,769.68
December'19	197.00	143.60	191.55	14,72,809	2,588.04
January'20	245.00	173.95	221.50	40,56,775	8,932.17
February'20	272.50	206.15	230.20	22,42,582	5,570.86
March'20	259.90	144.75	210.40	27,34,568	5,931.86

### Bombay Stock Exchange Limited (BSE)

Month	Share Price (₹)			No. of Shares Traded	Turnover ₹ In Lakhs
	High	Low	Close		
April'19	224.00	186.00	200.35	1,05,434	219.55
May'19	201.90	179.10	185.00	33,804	63.34
June'19	187.05	134.10	162.45	85,745	133.07
July'19	183.00	147.90	167.40	84,032	139.84
August'19	167.90	133.80	145.15	7,04,883	1016.96
September'19	175.10	149.60	155.70	4,33,415	733.11
October'19	178.05	133.10	161.10	14,16,185	2,007.48
November'19	178.70	140.20	162.55	97,007	154.02
December'19	197.15	145.25	191.60	66,685	115.62
January'20	237.90	174.25	219.95	2,47,526	541.66
February'20	272.40	206.05	229.30	91,607	226.81
March'20	259.50	145.50	209.35	1,41,757	308.04

**Performance of Indoco share price to broad based index –Nifty, BSE Sensex:**





## Distribution of Shareholding as on March 31, 2020

<b>Promoter &amp; Promoter Group</b>		
<b>Indian</b>	<b>Numbers</b>	<b>%</b>
Individuals	1,98,71,714	21.56
Bodies Corporate	1,57,71,755	17.12
Person Acting in Concert	1,84,37,677	20.01
<b>Total (A)</b>	<b>5,40,81,146</b>	<b>58.69</b>
<b>Public Shareholdings</b>		
<b>Institutions</b>	<b>Numbers</b>	<b>%</b>
Mutual Funds	1,42,91,278	15.51
Alternate Investment Funds	23,325	0.03
Foreign Portfolio Investors	18,18,750	1.97
Financial Institutions / Banks	20,366	0.02
<b>Total (B)</b>	<b>1,61,53,719</b>	<b>17.53</b>
<b>Non Institutions</b>	<b>Numbers</b>	<b>%</b>
Other Bodies Corporate	27,93,068	3.03
NRI & Foreign National	11,38,195	1.24
Clearing Members	75,427	0.08
Investor Education & Protection Fund	56,018	0.06
Public & Others	1,78,52,782	19.37
<b>Total (C)</b>	<b>2,19,15,490</b>	<b>23.78</b>
<b>Total (A + B+ C)</b>	<b>9,21,50,355</b>	<b>100</b>

### Disclosure of information on pledged shares:

The details of shares pledged by promoter are as follows:

<i>Name of Promoter/ Promoter Group</i>	<i>No. of shares held</i>	<i>No. of shares pledged</i>	<i>% of total shares pledged to total no of shares held by entity in the Company</i>	<i>% of shares pledged to the total no of outstanding shares of the Company</i>
NIL	NIL	NIL	NIL	NIL

### Details showing Shareholding of more than 1% of the Capital as on March 31, 2020:

<i>Sl. No</i>	<i>Name of Shareholder</i>	<i>Number of Shares</i>	<i>% of Capital</i>
1	SPA Holdings Private Limited	1,83,35,000	19.90
2	Shanteri Investment Private Limited	1,57,71,755	17.12
3	Reliance Capital Trustee Co. Ltd. A/C Nippon Mutual Fund	60,97,774	6.62
4	Ms. Aditi Milind Panandikar	55,59,013	6.03
5	Ms. Madhura Ramani	51,84,079	5.63
6	Ms. Aruna Suresh Kare	47,94,714	5.20
7	Mr. Suresh Govind Kare	40,60,408	4.41
8	HDFC Capital Builder Value Fund	22,98,303	2.49
9	DSP Mutual Fund- Various Mutual Funds	19,58,471	2.13
10	ICICI Prudential Pharma Healthcare and Diagnostics (P.H.D.) Fund	15,96,404	1.73
11	IDFC Mutual fund- Various Mutual Funds	15,95,821	1.73
12	Mr. Ashish Agarwal	14,65,781	1.59
13	Mangeshi Investment Pvt. Ltd.	11,67,300	1.27

**ADR/GDR:**

The Company has not issued any ADR/GDR.

**Dematerialisation Information:**

The shares of the Company are available in Dematerialised form with National Securities Depository Limited (NSDL) & Central Depository Services (I) Limited (CDSL). The ISIN of the Company is **INE873D01024**.

**Dematerialization of shares:**

As on March 31, 2020, the number of shares of the Company in the demat form is as shown below:

<b>Total No. of Shares of the Company</b>	<b>9,21,50,355</b>
No. of Shares in demat mode	9,10,71,179
% to Total No. of Shares of the Company	98.83%
<b>Total No. of Shareholders of the Company</b>	<b>16,825</b>
No. of Shareholders with dematerialised shares	16,766
% to Total No. of Shareholders	99.65%

Shareholders, who continue to hold shares in physical form, are requested to dematerialise their shares and avail various benefits of dealing in securities in electronic/dematerialised form. For any clarification, assistance or information, please contact the Registrars and Share Transfer Agents of the Company. The shareholders have the option to hold Company's shares in demat form through the National Securities Depository Limited (NSDL) or Central Depository Services (I) Limited (CDSL).

The break-up of shares in physical and demat form as on March 31, 2020 is given below:

	<b>No. of Shares</b>	<b>% of Total Shares</b>
No. of shares in physical form	10,79,176	1.17%
No. of shares in demat form		
(1) With NSDL	8,37,62,113	90.90%
(2) With CDSL	73,09,066	7.93%
<b>Total No. of Shares</b>	<b>9,21,50,355</b>	<b>100.00</b>

**Share Transfer System**

The share transfer, transmission, consolidation, sub-division and matters related thereto are delegated to a Stakeholder Relationship committee. The requests are processed within 7 days of lodgment. In case of requests for dematerialisation of shares, if the documents are clear in all respects, the requests are processed and confirmation given by Company's Registrars to the Depository i.e. NSDL or CDSL within 7 days.

**Registrar & Share Transfer Agent:**

Link Intime India Pvt. Ltd

Address: C-101,247 Park, L.B.S. Marg, Vikhroli (W), Mumbai 400 083.

e-mail : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Phone No. : 022-49186000

**Address for correspondence:**

Shareholders may address their communication to the Company's Registrars and Share Transfer Agent or the Secretarial Department of the Company at the following address:

**(1) Link Intime India Private Limited**

Unit: Indoco Remedies Limited  
C-101, 247 Park  
L.B.S. Marg, Vikhroli (West),  
Mumbai – 400083

Tel. No.: +91 -22-49186000

Email id: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**(2) Secretarial Department**

Indoco Remedies Limited  
Indoco House, 166 CST Road,  
Kalina, Santacruz (East),  
Mumbai – 400098

Contact Person: **Mr. Jayshankar Menon**

Tel No.: +91- 22-26541851-55

Email id: [compliance.officer@indoco.com](mailto:compliance.officer@indoco.com)

**Nomination Facility:**

Shareholders holding physical shares may send their nominations in prescribed form 2B to the Company. Those holding shares in dematerialised form may contact their respective Depository Participant (DP) for availing the nomination facility.

**UNPAID/ UNCLAIMED DIVIDENDS**

The Company is required to transfer dividends which have remained unpaid /unclaimed for a period of seven years to the Investor Education and Protection Fund (IEPF). Shareholders are requested to ensure that they claim the dividend(s) from the Company before it is transferred to the Investor Education and Protection Fund.

The due dates for transfer to IEPF of dividends remaining unclaimed / unpaid since 2012-2013 are given below:

<i>Financial year</i>	<i>Unclaimed dividend amount as on 31.03.2020 (in ₹)</i>	<i>Due date for transfer to IEPF</i>
2012-2013 - Final	3,60,681.20	04.10.2020
2013-2014 – Final	3,15,246.40	04.10.2021
2014-2015 – Final	3,86,084.80	04.10.2022
2015-2016 - Interim	6,98,089.00	15.05.2023
2015-2016 - Final	74,269.80	03.10.2023
2016-2017 - Final	4,52,220.80	14.10.2024
2017-2018 - Final	3,28,410.00	17.11.2025
2018-2019 - Final	1,07,756.90	04.11.2026

**Plant Locations:**

- 1) L-14, Verna Industrial Estate,  
Verna - Goa - 403722
- 2) L-32, 33, 34 Verna Industrial Estate,  
Verna - Goa - 403722
- 3) R-104 Rabale  
TTC Industrial Area,  
MIDC Thane Belapur Road  
Navi Mumbai  
Maharashtra - 400701
- 4) A-26,27,28/1, 28/2  
MIDC Industrial Estate  
Patalganga, Village Kaire  
Dist Raigad,  
Maharashtra - 410220
- 5) B- 20 MIDC, Waluj,  
Aurangabad,  
Maharashtra - 431133
- 6) Village Katha, P.O. Baddi  
Tehsil Nalagarh, Dist.: Solan,  
Himachal Pradesh - 173205
- 7) Unit No. 3, Village Katha,  
Pargana Dharampur, Tehsil Nalagarh,  
Dist.: Solan, Himachal Pradesh - 173205

**R & D Center:**

R-92/93, Rabale TTC Industrial Area  
MIDC Thane Belapur Road  
Navi Mumbai - 400701

**Clinical Research Centre:**

Anacipher Clinical Research Organization  
3<sup>rd</sup> & 4<sup>th</sup> Floor Mirakamshetty Mall  
Ramnathpur, RR District, Hyderabad - 500013

**Registered Office:****Indoco Remedies Limited**

Indoco House, 166 CST Road,  
Kalina, Santacruz (East),  
Mumbai - 400098.  
Tel: +91- 22-68321400

Presently the Company complies with the following discretionary requirements of Regulation 27(1), specified in "**Part E**" of Schedule II of the Listing regulations:

- a) The Company has appointed separate persons to the Post of Chairman and Managing Director
- b) Internal Auditor reports to the Audit committee.

The Company has complied with the Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## Certificate of Compliance with the Corporate Governance

*requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015*  
to the Members of Indoco Remedies Limited

We have examined the compliance of conditions of Corporate Governance by Indoco Remedies Limited ("the Company") for the year ended on March 31, 2020 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Stock Exchanges.

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.

For **GOKHALE & SATHE**  
*Chartered Accountants*

Firm's Registration No:103264W

**TEJAS PARIKH**  
*Partner*

Membership No: 123215

UDIN : 20123215AAAAABQ2317

Place : Mumbai

Date : June 24, 2020

## Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

We, Aditi Panandikar, Managing Director and Mandar Borkar, CFO of Indoco Remedies Limited, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2020 and to the best of our knowledge and belief:
  - 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. There are, 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 accept responsibility 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 and we have disclosed to the auditors and Audit Committee, deficiencies in the design or operation of internal controls and we have taken steps to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee that there is no
  - a) significant changes in internal control during the year, if any;
  - b) significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements, if any and
  - c) instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system

**ADITI PANANDIKAR**

*Managing Director*

DIN: 00179113

**MANDAR BORKAR**

*CFO*

Place : Mumbai

Date : June 24, 2020

## **Managing Director's Certification Declaration on Code of Conduct**

**to the Members of Indoco Remedies Limited**

This is to inform that the Company has adopted a Code of Conduct for its Board Members and Senior Management. The Code is posted on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2020 received from the senior management team of the Company and the Members of the Board affirmations of compliance with the Code of Conduct as applicable to them.

Place : Mumbai  
Date : June 24, 2020

**ADITI PANANDIKAR**  
*Managing Director*  
DIN: 00179113

## 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,

### **Indoco Remedies Limited**

Indoco House, 166, CST Road,  
Vidyanagari Marg, Kalina, Santacruz (East),  
Mumbai – 400098

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Indoco Remedies Limited** having CIN **L85190MH1947PLC005913** and having registered office at Indoco House, 166, CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai - 400098, Maharashtra, India (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](http://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 as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of appointment in company</b>
1	Mr. Suresh Govind Kare	00179220	02/07/1963
2	Ms. Aditi Milind Panandikar	00179113	27/03/2004
3	Mr. Sundeep Vasant Bambolkar	00176613	27/03/2004
4	Mr. Divakar Madhusudan Gavaskar	00157378	11/04/2005
5	Mr. Rajiv Pritidas Kakodkar	01519590	26/04/2007
6	Mr. Sharad Pandurang Upasani	01739334	23/02/2008
7	Dr. Anil Mahadeo Naik	00002670	14/02/2012
8	Mr. Anand Madhusudan Nadkarni	06881461	28/05/2014
9	Dr. (Ms.) Vasudha Vasant Kamat	07500096	27/03/2020

Ensuring the eligibility of 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 **A. Y. SATHE & CO.**  
*Company Secretaries*

**CS AJIT SATHE**  
*(Proprietor)*

FCS No.2899

COP No. 738

UDIN: F002899B000380562

Place : Mumbai

Date : June 25, 2020



## Management Discussion and Analysis

### a) Indian Pharmaceutical Industry Structure:

The Indian Pharmaceutical Industry is the world's third largest by volume. As per AIOCD AWACS, the Domestic Market is valued at ₹ 1,44,254 Crores with a growth of 9.6 % for the FY 2019-20. Exports from India stood at US \$20.58 bn with a growth of 7.6 % during FY 2019-20. Drug formulations and biologicals, contributing to ~ 72 % of exports, grew by 9.5 % and export of bulk drugs and drug intermediates was flat.

The Indian Pharmaceutical Industry's success has been built on the foundation of its distinctive capabilities in key areas of the value chain, such as, manufacturing, product development and process innovation. The Industry's journey to generate significant revenues can be attributed to world-class capabilities in APIs and formulation development, the entrepreneurial ability of the firms and the vision of the industry to establish India's footprint in large international markets.

Recently, the industry has been facing headwinds both domestically and in key global markets, which subdued its growth to CAGR of 7-8%. Nonetheless, many opportunities still exist across geographies and product classes for Indian pharmaceutical players to chart an accelerated growth path. The industry is poised for a good performance in the coming years, thanks to factors like increased accessibility and affordability, potential breakthroughs in next generation innovative products, strong growth in the US market by driving higher share in molecules going off patent and ease in price erosion.

### b) Opportunities and Threats:

Several Opportunities exist for the Indian Pharma Industry like supporting state-sponsored health coverage programs, focus on chronic healthcare and newer product classes such as biosimilar, gene therapy and specialty drugs. Capitalizing on its rich demographic dividend – India has a large skilled, yet cost-efficient workforce. New opportunities for the industry will open in view of the anticipated expiry of patents for branded molecules.

The industry may need to formulate a sharp molecule-level strategy, coupled with superior regulatory and execution excellence. A thrust in some of the under-penetrated emerging markets also has the potential for increase in exports. Moreover, newer avenues such as, OTC / OTX for deserving brands and digital supply chain solutions can be suitably explored in the domestic market.

Lack of stable pricing policy environment favorable for long-term investment decisions are some of the factors that have impacted the Industry. There is also higher dependence on external markets for intermediates and APIs.

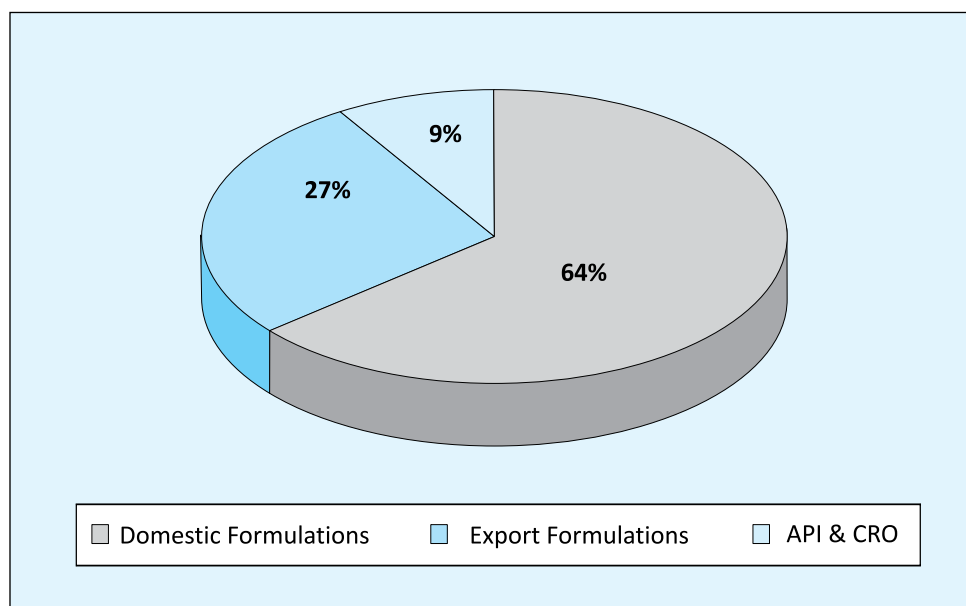
Indian pharma's eroding competitive advantage in the US generics market and limited presence in other markets with value added products has put the industry in a tight spot. An Increased scrutiny in quality compliance when supplying to international markets also largely looms over the industry's performance.

**c) Financial Performance:**

Net revenue for the year is at ₹ 1,079.39 crores, as against ₹ 941.37 crores last year. Other operating income in the current year is at ₹ 26.61 crores, as compared ₹ 26.37 crores to the previous year. Material consumption to sales is 30.61 % at ₹ 330.43 crores, as compared to 34.01 % at ₹ 320.18 crores previous year. Staff cost to sales is 23.65 % at ₹ 255.32 crores, as compared to 24.57 % at ₹ 231.26 crores in the previous year. Recurring R&D expenses to net sales are 4.60 % at ₹ 49.70 crores, as compared to 5.47 % at ₹ 51.52 crores previous year. Other expenses to sales are at 32.17% at ₹ 347.21 crores, as compared to 30.60 % at ₹ 288.07 crores previous year. Finance cost to sales is at 2.43 % at ₹ 26.25 crores, as compared to 2.18 % at ₹ 20.54 crores previous year. Operating profit is at ₹ 75.98 crores, compared to ₹ 36.13 crores in the previous year. Depreciation is at ₹ 70.81 crores, as against ₹ 71.56 crores in the previous year. Profit / (Loss) Before Tax is at ₹ 28.71 crores, as compared to ₹ (9.24) crores in the previous year. Profit / (Loss) After Tax was ₹ 24.25 crores, as against ₹ (2.84) crores in the previous year.

Basic & Diluted Earnings Per Share (EPS) for the year is ₹ 2.63, as against ₹ (0.31) in the previous year (both after and before the extra-ordinary items). Outstanding long term debt as on March 31, 2020 was ₹ 96.93 crores, as compared to ₹ 128.66 crores in the previous year. Cash outflow on account of Capital Expenditure (CAPEX) during the year was ₹ 58.46 crores, as compared to ₹ 96.95 crores in the previous year. During the year, an amount of ₹ 2.74 crores was contributed to the national exchequer by way of payment of income tax and ₹ 31.97 crores by way of Goods & Services Tax (GST). Net worth of the Company as on March 31, 2020 is ₹ 680.16 crores, as against ₹ 661.08 crores in the previous year, on account of retained profits. Debt-equity ratio during the year was 0.23, as compared to 0.28 in the previous year.

**Segment wise revenue contribution is as follows:**



## d) Business Overview

### Domestic Formulation Business

Indoco ranks amongst top 30 Companies in the Indian Pharmaceutical Market (as per Sales Audit March'20 Report of All India Organization of Chemists and Druggists, AIOCD) and has a Pan-India presence. The Company offers high-quality medicines in multiple therapeutic categories, which include, respiratory, stomatology, women's health, nutritional products, gastroenterology, cardiology, metabolic disorders and primary care medicines. The Company has a predominant presence in South (34%) and West (29%), followed by East (20%) and North (17%). The Company caters to multiple doctor specialties and generates more than 70 million prescriptions annually from over 3,00,000 doctors across India (as per SMSRC Prescription data as of Nov'19-Feb'20).

### Performance of key therapy areas:

(₹ In Lakhs)

Therapy	Cont %	2019-20	2018-19	Gw %
Stomatologicals	18.4	12729	11180	13.9
Respiratory	16.4	11354	9732	16.7
Anti-Infectives	15.2	10504	8901	18.0
Gastro-Intestinal	14.1	9729	8608	13.0
Vitamins / Minerals / Nutrients	7.1	4887	4830	1.2
Gynaecology	5.4	3754	3277	14.6
Ophthal / Otolgical	5.8	3998	3728	7.2
Pain / Analgesics	4.8	3337	3438	-2.9
Dermatology	4.3	2955	2765	6.9
Anti-Diabetic	4.0	2780	2479	12.1
Urological	2.3	1575	1052	49.8
Cardiac	1.9	1299	817	58.9

The Company enjoys a good position in the domestic market with 27 brands ranking amongst the top 5 positions in their respective sub-segments:

Product	Rank	Broad Therapy	Market Share % (Respective Sub-Segments)
Sensodent K	1	Stomatologicals	96.5
Karvol Plus	1	Respiratory	58.0
Sensoform Toothpaste	1	Stomatologicals	60.1
Cital UTI	1	Vitamins / Minerals / Nutrients	28.3
Kidodent	1	Stomatologicals	50.4
Rexidin	1	Stomatologicals	43.5
Carmicide	1	Gastro Intestinal	82.3
Snowdent	1	Stomatologicals	41.6

<i>Product</i>	<i>Rank</i>	<i>Broad Therapy</i>	<i>Market Share % (Respective Sub-Segments)</i>
Cyclopam	2	Gastro Intestinal	10.5
Febrex Plus	2	Respiratory	15.7
Sensodent KF	2	Stomatologicals	27.0
Cal Aid	2	Vitamins / Minerals / Nutrients	34.1
MCBM 69	2	Gynaecological	15.7
Sensoform Gum Paint	2	Stomatologicals	34.2
ATM	3	Anti-Infectives	7.1
Cital	3	Urology	26.0
SM Fibro	3	Vitamins / Minerals / Nutrients	13.6
Dentogel	3	Stomatologicals	13.3
Otorex	3	Ophthal / Otologicals	11.6
Cital H	3	Urology	5.2
Rexidin Plus	3	Stomatologicals	7.8
MCBM DHA	3	Gynaecological	11.2
Methycal	4	Vitamins / Minerals / Nutrients	6.5
Hemsyl	4	Blood Related	11.2
Oxipod	5	Anti-Infectives	5.5
Nosic	5	Gastro Intestinal	3.1
D Chiro	5	Gynaecological	2.8

(Source : AWACS)

### **Domestic Marketing Divisions:**

#### **Indoco**

Indoco is the main domestic marketing division and enjoys a strong image amongst its targeted doctors, viz., General Practitioners, Pediatricians, Gynecologists and Consultant Physicians. The division has acquired a prominent position within its covered market with market share of around 4% satisfactory sales growth, which is observed across all zones for the division.

Cyclopam, a brand leader in antispasmodic market has crossed the ₹ 100 crore mark with positive growth across all zones, as per AWACS data as on March'20.

Prescription growth of around 3% is recorded by the division within its major focused doctor category, i.e., General Practitioners. Effective legacy brand management carried out by the division is evident by Cyclopam's success and Cital, Karvol Plus, Cloben-G are showing good prescription (Rx) growth.

In terms of new launches, Cital-UTI has further increased its Rx share to more than 37% and has consolidated its leadership position within its covered market.

## **Spade**

Spade, the 2nd largest division of domestic business caters to acute therapy with a focus on Respiratory and Anti-infective segments. The major specialties covered by SPADE include, ENT surgeons & Pediatricians, besides having a strong presence in the segments of General Practitioners and Consulting Physicians. The major brands of the division, Febrex Plus, ATM and Bactogard registered good growth. In fact, ATM (Azithromycin) tablets have been recommended for use in the treatment of Covid-19.

## **Warren NxGen**

Warren NxGen has successfully expanded its presence from Dentists to other specialties like ENTs, Pediatricians and General Practitioners. All these specialties have registered a good growth in prescriptions as per SMSRC. Warren NxGen has created several brands, viz., Sensodent KF, Lignox, Kidodent, Rexitin M Forte, Rexitin and Dentogel which feature in top 5 rank in their respective segment. All the Stomatological brands have performed well in the market and have gained market share. Warren NxGen leads the Stomatological covered market with a market share of 29%.

Free medical camps are being conducted across all age groups and socio-economic class for detection of various oral diseases, from dental caries to pre-cancerous conditions. CMEs and scientific updates are the main approach for promoting brands, which remain the key strength of the division.

## **Warren ACE**

Warren Ace is no. 1 in the dental care Stomatological market pan India with legacy toothpaste brands, viz., Sensodent K and Sensoform. The division enjoys more than 30% market share in covered market and enjoys no. 1 position in many states across India. Warren Ace caters to more than 45000 dentists and 300 plus dental colleges & is a leader in the Desensitizer market. The division focuses on mainly 2 therapies, i.e., Dental Sensitivity and Pain Management.

In addition to toothpastes, other brands like Sensodent K Plus, Rexitin Plus, T Lac and Sensoform gum paint have good growth prospects. Looking at the growing awareness of oral hygiene, there are huge opportunities in the dental segment. With a strong equity, Warren Ace is ready to explore prescriptions, as well as, OTX market with present product basket.

## **Spera**

Spera caters to women's health and is a specialty division covering Gynecologists. The product mix includes, nutraceutical brands for pregnancy care and lifestyle management products. Methycal 2000, the newly launched brand within the space of the Vitamin D3 market, is gaining fast momentum. Scientific activities like, Round Table Meets (RTMs) and Continues Medical Education (CMEs) have helped to increase the prescriber base of Gynecologists. Customer focus with brand campaigns and patient awareness activities aids Spera to garner attention of the Key Opinion Leaders (KOLs). Participation in All India Gynecology Conference (AICOG) and other state conferences helped the division strengthen its presence in the market.

### **Warren Excel and Vision**

The ophthalmic divisions cater to a niche Ophthalmology segment, with a wider therapeutic range. The division's product range covers acute, chronic, as well as products for surgical procedures in Ophthalmology. The division offers unique products with distinct superiority, based on exclusive technological advantage. The ingredients and packaging materials of some of the products are manufactured in state-of-the-art plants.

The division's wide range of products extends from tear substitutes, anti-infectives, anti-oxidants, anti-glaucoma range, anti-allergic and NSAIDs. The Mofloren brand is the largest contributor to the division's sales. Some of the brands that are ranked amongst top five in their respective categories are, Homide, Renolen, Zincoren, Dexoren, Dexoren-S, B-Floren, Mofloren-BF, Clygan, Tobaren-DM and Blu Dye.

### **Indoco Focus**

This division has been designed to be a 'Specialist in Diabetology'. The division's product portfolio caters to Diabetologists, Endocrinologists and Consulting Physicians with Brands like, Zilenta, Glychek, Metchek, Prztac, Trucharge, Durashape and Oxipod CV.

In line with the long term objective, Indoco FOCUS launched ALOJA (Alogliptin- a novel Gliptin) for the 1st time in India. As a part of launch activity, the division initiated 11 advisory meetings with the eminent Endocrinologists and Diabetologists pan India to establish ALOJA (Alogliptin). The division participated at national conferences like, RSSDI, ESICON and APICON with scientific lectures from the industry stalwarts to advocate and establish this molecule. A series of almost 60 CME programs at regional level were conducted to build confidence of the Diabetologists.

The division is in process of strengthening its portfolio as per the needs of a Diabetes practitioner and establishing Indoco FOCUS as a partner in Diabetes management.

### **Indoco CND**

Indoco CND caters to super-specialists like, Cardiologists, Diabetologists, Nephrologists and Consulting Physicians, with predominant focus on Cardiologists to strengthen its presence in the fast growing cardiology market. Creation of sizeable prescriber base within cardiologists by CND division is indication of success of its penetration in the market. Indoco CND division has grown faster in the covered market and is gaining momentum with brands like Telmichek. Scientific and clinical activities have further helped the division to get closer towards realization of its set objectives, one being due recognition of Indoco CND's product range by Cardiologists.

### **Institution**

The Institution division covers most of the Central, State government and PSUs healthcare setups, which includes: ESIC, Indian Railways, AFMSD Directorate of Health Services, BHEL, BEML, HAL, ONGC and Port Trusts. Indoco is registered with most of these Government institutions and participates in annual rate contracts and local tenders for branded and proprietary products. The division aims in getting the products registered and adding proprietary products in formularies of prestigious government institutions.

### New Product Launches:

The introduction of new products in the domestic market is planned with the objective of strengthening the portfolio of various divisions. During the year, eight new products, five in Cardiac segment, two in Anti-diabetic segment and one in Dermatology segment, were launched.

Following is the list of the new products launched :

<i>Product</i>	<i>Division</i>	<i>Therapy</i>
Luliplus Cream	Indoco	Dermatology
Rosuchek – Gold 20 10s	Indoco CND	Cardiac
Rosuchek 20mg Tablets 10s	Indoco CND	Cardiac
Rosuchek Gold Caps 3x10	Indoco CND	Cardiac
Aloja 12.5 (Alogliptin Tablets 12.5mg) 10s	Indoco Focus	Anti-Diabetic
Aloja 25 (Alogliptin Tablets 25mg) 10s	Indoco Focus	Anti-Diabetic
Apixabid 2.5 (Apixaban Tab 2.5 mg) 10s	Indoco CND	Cardiac
Apixabid 5 (Apixaban Tab 5 mg) 10s	Indoco CND	Cardiac

Luliplus: Launched by Indoco main division is targeted at the GPs. This product contains Luliconazole, which is the latest anti-fungal medication and is very effective.

Rosuchek: Indoco CND division has been strengthened by launch of three line extensions, viz., Rosuchek 20 mg, Rosuchek Gold and Rosuchek Gold 20, the latter two being, a triple combination product with DCGI approval.

Aloja: The Company's Focus division launched Alogliptin, a new age FDA approved cardiovascular (CV) neutral DPP-4 with brand name 'Aloja' in Nov'19. 'Aloja' is targeted at Type 2 diabetes (T2DM) in patients having uncontrolled diabetes or newer patients, where diabetics index is much higher. The launch of 'Aloja' marks Indoco's intention to become a competitive player in the diabetic therapy market in India.

Apixabid : Indoco's CND division launched Apixaban, a bio-equivalent, anti-coagulant product, which is developed at the Company's R&D facility and manufactured at its USFDA approved site. 'Apixabid' is used to treat and prevent blood clots and to prevent stroke in people with nonvalvular atrial fibrillation.

It is used specifically to prevent blood clots following hip or knee replacement and in those with a history of prior clots. It is used as an alternative to warfarin and does not require monitoring by blood tests. Though the Company launched Apixabid in early December'19, it had to withdraw the product, as the innovator filed a patent infringement case in Delhi High Court on December 23, 2019 and could obtain a temporary injunction. The Company is strongly defending the patent infringement case, as well as, vacation of temporary injunction.

### International Business:

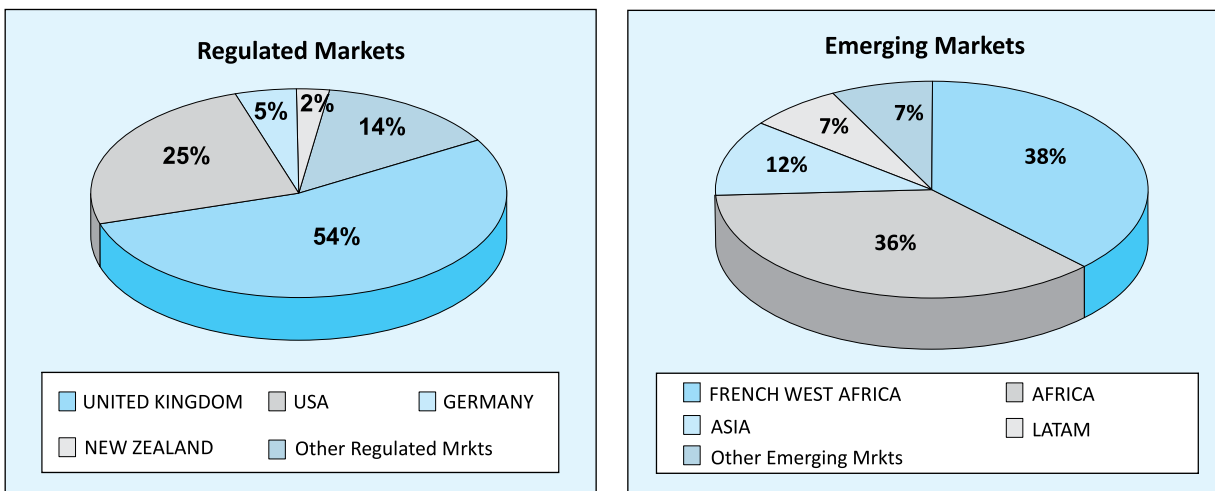
International Business is a key thrust area for the Company. However, in the last couple of years, the evolving regulatory guidelines and issues arising therefrom, impacted the revenues from International Business. Warning letter from the USFDA and restricted GMP status from the UK-MHRA resulted in stoppage of manufacture of some products at the Company's Goa facilities.

These developments kept the Company busy with remediation process, which has now been completed, resulting in withdrawal of warning letter by the USFDA issued to Indoco's Goa plant II. This paved the way for approval of some of the Company's pending ANDAs.

The Company's finished dosage facilities in Baddi Plant-I and Plant-III received UK-MHRA nod. While Baddi Plant-I faced inspection for the fourth time successfully, for Baddi Plant-III, it was the first inspection. This has resulted in making substantial capacity available for supplies to Europe. Europe business will bounce back soon, as five of the Company's plants are approved by the EU regulatory authorities.

The Company will keep filing new ANDAs every year (including injectable ANDAs) to exploit advantage of Indoco's sterile facilities. With number of ANDAs and Dossiers awaiting approval, the business from Regulated markets looks optimistic.

**Country Wise / Region wise Sales Contribution**



**USA**

The industry witnessed pressure from regulators, patients, governments, and aggressive negotiation tactics from buyers to drive down drug prices. Overcapacity and the emergence of big purchasing groups have had a negative impact on the manufacturer's margins. However, the silver lining is that the industry is experiencing a fast-track approval of plants and expedited review of ANDAs by the USFDA.

Indoco's business in the US, which suffered a set-back due to regulatory issues is now coming back on track. With receipt of EIR on 21st March, 2019 for Goa Plant-II and III, the Warning Letter has been lifted and Indoco has started receiving approvals against pending ANDAs, filed from these plants.

Indoco has capabilities in the sterile space and complex generics (both in Solid Orals and Ophthalmics), which will be the growth engine for Indoco in US in time to come. Backward integration will be the way forward for the future pipeline for injectables, ophthalmics and oral solids, as Indoco looks forward to leverage its expertise in developing APIs on fast track and has already expanded its API manufacturing capacities.



The status of ANDAs as on March 31, 2020 stands as below:

<i>Particulars</i>	<i>Own Filings</i>	<i>Through Partners</i>	<i>Total</i>
Approvals till date	6	6	12
Filed but pending approval	13	22	35
<b>Total</b>	<b>19</b>	<b>28</b>	<b>47</b>

### **Europe**

Europe has continued to be a major contributor of sales in International Business. During the year, sales from Europe region has recorded a good growth, despite the regulatory challenges in first half of the financial year.

Though UK and Germany remain the top revenue generators for the region, Spain and Eastern Europe have also contributed considerably. The Company is also expanding its business in other countries like Denmark and Iceland, through its partners. Indoco has successfully shipped Paracetamol tablets from Baddi III this year and has launched Tranexamic acid injection through its partner in Europe. Approved Decentralized Procedure (DCPs) in various countries of the region will ensure revenues from licensing fees when Marketing Authorizations (MAs) are licensed out to multiple customers. Indoco is geared up with potential Brexit and is in the process of implementing the post Brexit formalities with all the Customers.

Serialization for EU region has been successfully completed within the set time frame and the Company has already started supplying serialized goods from all its GMP approved facilities.

### **South Africa, Australia and New Zealand**

Indoco is a reliable manufacturing partner to many generic companies in South Africa, New Zealand and Australia.

The Company's Goa facilities underwent GMP audits by SAHPRA (South Africa) and TGA (Australia). The revocation of EU GMP certification by the UKMHRA in March 2018 impacted SAHPRA and TGA approval status. However, Indoco is undergoing remediation process to satisfy these regulatory authorities and is expecting to resolve the issues at the earliest.

### **Emerging Markets**

Indoco continues to get 80% of its emerging market business from promotion of brands across geographies with a major contribution coming from French West Africa, Kenya, Sri Lanka and Myanmar. The Company registered a robust growth of 25% in French West Africa over the previous year.

Kenya continued to be a strong pillar with substantial contribution to total Emerging Market's business. In Sri Lanka, Indoco continues to spread its product portfolio, strengthening product visibility and availability through promotion of brands.

Latin America business witnessed a setback due to geopolitical instability and currency devaluations, resulting in tender losses in many countries. However, the business in Latam is looking up, as the Company has signed new deals and has received new product registrations.

**API Business:**

Backward integration is a key for success in the competitive International market. Accordingly, majority of the Company's ANDAs / Dossier filings are backed by APIs manufactured in the Company's own facility. The priority is to make APIs available for own use and offer remaining capacity in the market. Thus, though API contribution to overall business is not sizable, its importance from the strategic perspective is high. Considering the growing demand, both for captive, as well as, external sales, the present capacity is expanded by commissioning of a new state-of-the-art API manufacturing facility at Patalganga. The new facility is equipped with an automated solvent dispensing system, efficient recovery system to control the cost of manufacturing and adequate safety by installing modern equipments.

The Patalganga plant was successfully inspected by CDSCO for written confirmation for sale in Europe on 17th-18th June, 2019. The Kilo plant was successfully inspected by CDSCO for written confirmation for sale in Europe on 6th-7th May, 2019 and for WHO GMP Certification Scheme for COPP on 9th-10th October, 2019.

With a good product mix of APIs in ophthalmics, anti-diabetic, anti-gout and other therapeutic categories, backed by DMFs and Certificates of Suitability (CEPs), the API division is well positioned to register an impressive growth in the coming years.

**Research and Development:**

Indoco's R&D Centre, located at Rabale, Navi Mumbai has a highly skilled team of scientists involved in the research and development of Active Pharmaceutical Ingredients (APIs), as well as, Finished Dosage Forms (FDFs).

The Chemical Research Department (CRD) works on chemical synthesis, process chemistry, designing of non-infringing processes and scale up of APIs. The Finished Dosages research (F&D) is engaged in development of various dosage forms like, Immediate Release Tablets, Capsules, Multi-Unit Pellet Systems (MUPS), Pulsatile Drug Delivery Systems, Sterile Ophthalmic Ointments, Ophthalmic Gels, Suspensions and Solutions, Extended Release tablets with matrix technology, complex ophthalmic products like emulsions and nano-suspensions, as well as, a range of injectable solutions, suspensions and depot-based long acting injectables.

With a strong technical team in place, Indoco is a partner-of-choice for several large pharmaceutical companies across the globe for co-development and for site transfer projects of ophthalmic, injectable, solid and liquid dosage forms, as well as, topical products.

**Regulatory Affairs:**

Indoco's Regulatory team comprises of 35 specialists, who are engaged in the submission of Dossiers to Regulatory Authorities across the globe. Regulatory submissions in different Emerging markets are pursued as well, which have resulted in registrations of 721 dossiers across more than 50 countries till date. In addition, Indoco regulatory has submitted Drug Master Files for 23 Active Pharmaceuticals. A total of 147 Drug Master Files, comprising of 20 USDMFs and 9 Certificate of Suitability (CEPs) & 8 Active Substance Master File (ASMFs), have been registered to support commercial supplies.

The Company is equipped with eCTD software (compliant to country specific requirements) and software for Structured Product Labelling (SPL) for US submissions. Electronic submissions of DMFs and Dossiers are done through the Electronic Submission Gateway (ESG) to USFDA and through the Common European Submission Platform (CESP) to EDQM and other European National Competent Authorities (NCA) and a specific National Portal for submissions to UK-MHRA.

## AnaCipher:

### Analytical Research Services, Rabale

The division provides a complete analytical solution to pharmaceutical and chemical companies, in India and abroad. The analytical testing lab complies with all the cGLP norms and has competent scientists to support the customers in solving their complex analytical problems. The lab is well equipped with all the modern state-of-the-art technologies and sophisticated instruments. The division now provides assessment of Extractables and Leachables (E & L) in pharmaceuticals, process equipment and medical devices as an important step in drug product development and materials qualification assessment. Studies on Elemental impurities, as per ICH Q3D, which is now mandatory for regulatory submissions are also performed using advanced instrumentation. Identification of unknown impurities and its characterization is also routinely performed in the analytical laboratory.

The Company's laboratories specialize in method development and validation for a highly sensitive and specific method to assess carcinogenic nitrosamine impurities and genotoxic impurities in drug substance and drug product. More than 123 companies depend on Indoco's testing lab to ensure the quality and safety of their products.

### AnaCipher, Clinical Research Organization (CRO), Hyderabad

AnaCipher CRO is a division of Indoco, specialized in Bio-Availability and Bio-Equivalence (BA / BE) studies. The state-of-the-art-facility is spread over 30,000 sq. ft. area and is located in Hyderabad, India. Anacipher, CRO has been successfully audited by the USFDA with Zero 483s for the last 5 inspections. Anacipher has also undergone desktop assessment by prequalification team of WHO and has received the product approval. The CRO is equipped with 98-beds, monitoring stations, phlebotomy stations, four-bed ICU, state-of-the-art analytical lab and capabilities of eCTD (Electronic Common Technical Document) submission.

It has a database of more than 16,000 healthy human volunteers and has tied up for the implementation of a 'Common Volunteer Database Management System' to track the volunteer's cross participation across all the CROs in Hyderabad. The facility offers a complete range of BA/BE services, such as, bio-availability, bio-equivalence, pharmacokinetics, steady state studies, food effect studies, taste evaluation formulation studies, single and multiple dose studies.

### Intellectual Property Rights (IPR):

The Company has from time to time added to its kitty of Intellectual Property, by obtaining process patents for its innovations. The patent applications are filed in respective countries, based on the market potential.

Status of patent applications filed:

<i>Patent Applications</i>	<i>India</i>	<i>PCT</i>	<i>Europe</i>	<i>USA</i>	<i>Japan</i>	<i>Total</i>
APIs	40	18	5	4	1	68
FDFs	16	2	2	2	0	22
<b>Total</b>	<b>56</b>	<b>20</b>	<b>7</b>	<b>6</b>	<b>1</b>	<b>90</b>

Out of the 68 API patent applications filed, 24 applications were accepted and granted. These include two Patents granted in Europe and one in US for Alogliptin (Europe) and Canagliflozin (Europe and USA) APIs, during the financial year 2019 – 20.

Out of the 22 FDF patent applications filed, 10 applications were accepted and granted. Indoco's R&D efforts received due recognition with the 'Best Process Patent Award for the year 2018-2019, for two Indian Patents for formulation of Diclofenac and Quetiapine tablets. This award was presented at the Indian Drug Manufacturers Association's 58th Annual Day celebrations held in Mumbai on January 18, 2020.

**e) Human Resources:**

Human Resource (HR) is constantly engaged with business processes and is deeply involved in co-ordination and support to all the departments and locations.

HR Team has implemented various initiatives across the organisation. The Human Resource Management Systems (HRMS) implemented by HR has various features like Employee Information, Performance Management Systems (PMS) and the Online Investment Declaration Module. With the IMPACT (Indoco's Management Program for Achieving Competitive Talents) initiative, the Team has continued to conduct Soft Skills training at Head Office, Rabale and Patalganga to create a healthy and stress free working environment, and has now initiated implementation of these soft skills training at its manufacturing locations at Goa.

Under the CLIMB (Cluster of Learning at Indoco for Mutual Benefit) initiative, various Inbound/ Outbound training sessions were conducted by renowned professionals for Yoga, Meditation, Naturopathy, Health and Well-being, a series of Financial Planning, and Cardiac Pulmonary Resuscitation (CPR) sessions. The HR Team continued with the ME2WE initiative across all its locations. This initiative was successful in bringing together cross functional departments, thereby strengthening and creating employee connect and bonding across various teams. It was a great stress buster and also enhanced employees' sharpness by conducting brainy quiz contest and on-line competitions.

The Executive Conclave was initiated this year, paving a way for strong platform for learning and development of all executives to shoulder higher responsibilities and showcase their potential to become future leaders. An Organisational Development Initiatives (ODI) program was also started, giving an overall analysis of all the training programs conducted during the year.

The HR Team continued to conduct Employee Engagement activities like Dussehra Pooja, Diwali Fun Fiesta, Indoco's Annual Day (INSPIRA & UDAAN), Group Birthday celebrations, Foundation Day, Safety Week Celebrations and Environment Day.

The newly adopted Global Code of Conduct was approved by the Board of Directors and is uploaded on the Company's website for view by its employees, Customers and Stakeholders.

The HR Team launched a new module on behavioural excellence – RESONANCE in collaboration with IPH (Institute for Psychological Health) proved effective for the employees. The Module covers topics such as, SATVAS of ALCOA, Audit Anxiety, Naksha – the Roadmap, Balancing Micro and Macro, Perfection to Excellence, Error and Remediation, Sach Aur Sacchai and Critical Terminology.

The World is undergoing Medical Emergency due to spread of Covid-19 Virus and India is no exception. The Pharmaceutical Industry was classified under essential services and was allowed to manufacture so that the supply of life saving medicines is uninterrupted. Although the permission for operating the manufacturing sites was given, it was with strict guidelines to maintain health, hygiene and social distancing norms while travelling and within the premises.

All the manufacturing sites of Indoco had initiated various measures to comply with the government directives on hygiene and social distancing. The Company arranged additional to and fro transport facility for its staff. To maintain hygiene and sanitization, all the buses were sanitized before the start and the security guard posted in the bus ensured that the employees travelling in these buses follow social distancing norms. At the entry and exit gates, all the employees underwent Thermal Screening and Sanitization.

Even during these trying times, HR's Learning & Development Programs and Employee Engagement initiatives continue with the new normal of social distancing through e-learning and webinars.

HR plays a vital role in developing and strengthening the culture of the organization. Recruitment, On-board training, Performance Management, Learning & Development and reinforcing the values of the business are all essential responsibilities shouldered by Team HR.

**f) Future Outlook:**

The Company's Domestic business continues to focus on brand building, thrust on chronic and sub-chronic segment, as well as, penetration in the North and East Region. The Company will selectively launch new products in Specialty segment to boost growth. With well-known legacy brands, Doctors loyalty of over 6 decades, highly motivated field force, distribution network across India and presence in growing segments, including Stomatologicals and Ophthalmology will help the Domestic business to grow on sustainable basis.

On International front, the Company's US business is expected to grow as ANDAs are being commercialized at regular intervals as USFDA's approvals have started flowing in. Reinstatement of the EU-GMP compliance certificate for Goa Plant-I and the EU-GMP approval of newly acquired solid dosages manufacturing facility at Baddi (Plant-III) will boost the EU business, with availability of larger manufacturing capacity. Indoco is also consolidating its position in the Emerging Markets through active brand promotion in select markets. Robust pipeline in specialty dosages, viz., Ophthalmics and Injectables, will enable the Company to have an upper edge over its competitors in the International business.

Expertise in Research and Development, backward integration with own APIs, a full-fledged CRO set-up, excellence in finished dosages manufacturing and a strong customer base makes the Company, a preferred partner, offering complete solutions to generic companies and quality and affordable medicines to patients in India and across the globe.

# Independent Auditors' Report

## to the Members of Indoco Remedies Limited

### Report on the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of **Indoco Remedies Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss including Other Comprehensive Income, Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information ('the standalone Ind AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and the other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit and other comprehensive loss, 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 Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Ind AS 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 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.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our audit report.

<i>Sr. No.</i>	<i>Key Audit Matters</i>	<i>Auditor's Response</i>
1	<p><b>Intangible assets under development.</b></p> <p>The Company undertakes several projects for new product development. Once the regulatory approvals are received, such items are reclassified as Intangible Assets in the books of accounts.</p> <p>The management makes an assessment as to whether all such projects are capable of being completed and capable of getting the requisite</p>	<p>We have carried out the validation of the information provided by the management by performing the following procedures:</p> <p>a) Obtaining detailed listing of all projects under development.</p> <p>b) Evaluating management's judgement of technical and commercial feasibility of such projects and comparing the same with past record of such regulatory approvals.</p>

	<p>regulatory approvals. On the basis of such assessment, the costs incurred on such projects till the time regulatory approvals are obtained are reflected in the financial statements as "Intangible assets under development".</p> <p>The quantum of Intangible Assets Under Development as at March 31, 2020 was ₹ 4,337.90 lakhs.</p> <p>Refer Note no. 5 to the Standalone Financial Statements.</p>	<p>c) Getting representations from the management wherever necessary.</p>
2	<p><b>Accuracy, Completeness, and disclosure with reference to Ind AS-16 of Property, Plant and Equipment (including Capital Work in Progress)</b></p> <p>The carrying value of property, plant and equipment (including capital work in progress) as on 31.03.2020 of ₹ 54,364.74 lakhs includes ₹ 16,739.95 lakhs capitalised /transferred from capital work in progress during the year.</p> <p>Capital expenditure involves management technical estimates and judgement about capitalisation, estimated useful life, impairment which has material impact on balance sheet and operating results of the Company.</p> <p>Refer Note no. 3 to the Standalone Ind AS Financial Statements.</p>	<p>Our audit procedures, amongst others, include the following –</p> <p>a) Obtaining an understanding of operating effectiveness of management's internal control over capital expenditure.</p> <p>b) We assessed Company's process regarding maintenance of records, valuation and accounting of transactions pertaining to Property, Plant and Equipment including Capital Work in Progress with reference to Indian Accounting Standard 16: Property, Plant and Equipment.</p> <p>c) We have reviewed management judgment pertaining to estimation of useful life and depreciation of the Property, Plant and Equipment.</p> <p>d) We have verified the capitalization of borrowing cost incurred on qualifying asset in accordance with the Indian Accounting Standard 23: Borrowing Costs.</p> <p>e) Ensuring adequacy of disclosures in the standalone financial statements.</p>
3	<p><b>Provisions for Sales Returns.</b></p> <p>The Company provides for sales returns on an estimated basis as a percentage of sales. Such an estimate is arrived at on the basis of average of actual sales return over the last 3 financial years. Such estimation is based on management best judgement of the probability of sales returns. Provision for sales return amounted to ₹ 2,872.52 lakhs as on March 31, 2020.</p> <p>Refer Note no. 27 to the Standalone Financial Statements.</p>	<p>We have carried out the validation of the information provided by the management by performing the following procedures:</p> <p>a) Validating the process consistently implemented by the management in arriving at the estimates.</p> <p>b) Correlating the amounts of actual sales returns with the provisions made.</p> <p>c) Evaluated management assessment for change in estimates for provision for sales return during this year.</p> <p>d) Getting representations from the management wherever necessary.</p>

### **Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS 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 Ind AS 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 Ind AS financial statements or our knowledge obtained during the course of our 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.

### **Responsibilities of the Management and those charged with governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, 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 implementation and maintenance of 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 Ind AS 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 Ind AS financial statements, management is 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 management 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 Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 financial statements.



As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the standalone Ind AS 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.
- b) Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under the section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the 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 ability of the Company 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 Ind AS 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.
- e) Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 appears from our examination of those books.
  - c) the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under.
  - e) on the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g) with respect to the other matters to be included in the Auditor's 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 on its financial position in its standalone Ind AS financial statements – Refer note 46 to the standalone Ind AS 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.
3. As required by Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

For **Gokhale & Sathe**  
*Chartered Accountants*  
Firm Regn. No. 103264W

**Tejas Parikh**  
*Partner*

Date : June 24, 2020  
Place : Mumbai

Membership No. 123215  
UDIN:- 20123215AAAABR4616

## **ANNEXURE A** **to the Independent Auditors' Report** **as required by the Companies (Auditor's Report) order, 2016**

*(Referred to in our Report of even date on financial statements of Indoco Remedies Limited as at March 31, 2020)*

As required by the Companies (Auditor's Report) Order 2016 issued by the Central Government in terms of Section 143(11) of the Companies Act 2013, on the basis of the checks as we considered appropriate, we report on the matters specified in paragraph 3 and 4 of the said order to the extent applicable to the company:

1.
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) As explained to us, the company has a regular programme of physical verification of fixed assets by the management so as to cover all the fixed assets over a period of five years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations provided to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company. In respect of immovable properties which have been taken on lease and disclosed as property, plant and equipment in the standalone Ind AS financial statements, the lease agreements are in the name of the Company.
2. In our opinion and according to the information and explanations provided to us, the inventories have been physically verified by the management during the year. In our opinion the frequency of such verification is reasonable. In our opinion and as explained to us, there were no material discrepancies noticed on physical verification of inventories as compared with the books of account.
3. 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, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made, wherever applicable.
5. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) (d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. (a) According to the information and explanation 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, Income tax, Sales tax, GST, Custom duty, and any other material statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us there are no dues of customs duty and service tax that have not been deposited on account of any dispute. However, according to the information and explanation given to us the following dues of income tax, central excise and sales tax have not been deposited by the Company on account of disputes:

<i>Nature of Statute</i>	<i>Nature of Dues</i>	<i>Amount (₹ in Lakhs)</i>	<i>Period to which amount relates</i>	<i>Forum where dispute is pending</i>
Telangana VAT Act, 2005	T Vat	309.59	2009-14	Telangana VAT & Sales Tax Appellate Tribunal, Hyderabad
Telangana VAT Act, 2005	T Vat	114.69	2008-18	Appellate Deputy Commissioner (CT), Hyderabad Rural Division
Telangana VAT Act, 2005 and Central Sales Tax Act, 1956	T Vat	5.99	2013-18	Deputy Commissioner (CT), Saroornagar Division, Hyderabad
Andhra Pradesh VAT Act, 2005	A Vat	94.90	2005-09	High Court, Hyderabad
Andhra Pradesh VAT Act, 2005	A Vat	19.35	2014-16	Appellate Deputy Commissioner (CT), Vijaywada
Goa VAT Act, 2005	G Vat	20.21	2007-08 & 2009-10	Asst. Commissioner Tax Officer, Margao
Central Excise Act, 1944	Excise Duty	14.12	1997-98, various years	Honourable Supreme Court
Central Excise Act, 1944	Excise Duty	85.88	1995-96, 1997-98 & 2010-14	CESTAT, Mumbai
Central Excise Act, 1944	Excise Duty	5.83	1997-99	Divisional Dy. Commissioner
Finance Act, 1994	Service Tax	586.39	2006-08	CESTAT, Mumbai

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions. The Company has not taken any loans or borrowings from Government and has not issued debentures during the year.

9. In our opinion and according to the information and explanations given to us, the Company has raised term loans and the term loans so raised have been applied for the purpose for which these were obtained. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year under audit.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given 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.
12. 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.
13. 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 Ind AS financial statements as required by the applicable accounting standards.
14. 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.
15. 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 him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. 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.

For **Gokhale & Sathe**  
*Chartered Accountants*  
Firm Regn. No. 103264W

**Tejas Parikh**  
*Partner*

Date : June 24, 2020  
Place : Mumbai

Membership No. 123215  
UDIN:- 20123215AAAABR4616

**ANNEXURE - B**  
**to the Independent Auditors' Report**  
**as required by Sec. 143(3) of Companies Act 2013**

*(Referred to in our Report of even date on standalone Ind AS financial statements of Indoco Remedies Limited as at March 31, 2020)*

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Indoco Remedies Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ('ICAI'). 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting 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 control over financial reporting 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 over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting 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.

Date : June 24, 2020

Place : Mumbai

For **Gokhale & Sathe**  
*Chartered Accountants*  
Firm Regn. No. 103264W

**Tejas Parikh**  
*Partner*

Membership No. 123215

UDIN:- 20123215AAAABR4616

## Balance Sheet

As at March 31, 2020

Particulars	Note No.	March 31, 2020	March 31, 2019
(₹ lakhs)			
<b>ASSETS</b>			
<b>Non Current Assets</b>			
(a) Property, Plant and Equipment .....	3	53,632.25	41,657.99
(b) Right-of-use assets .....	4	526.51	—
(c) Capital Work in Progress .....	3	732.49	14,122.90
(d) Intangible Assets .....	5	4,802.91	5,094.05
(e) Intangible Assets under Development .....	5	4,337.90	4,420.08
(f) Financial Assets			
(i) Investments .....	6a	245.32	244.42
(ii) Loans .....	7	99.87	125.62
(iii) Other Financial Assets .....	8	587.65	506.93
(g) Deferred Tax Assets (Net) .....	9	3,592.69	3,554.22
(h) Income Tax Assets (Net) .....	10	924.01	918.11
(i) Other Non Current Assets .....	11	1,573.02	1,535.27
<b>Total, Non current Assets .....</b>		<b>71,054.62</b>	<b>72,179.59</b>
<b>Current Assets</b>			
(a) Inventories .....	12	20,823.99	18,337.38
(b) Financial Assets			
(i) Investments .....	6b	—	—
(ii) Trade Receivables .....	13	20,917.70	19,446.53
(iii) Cash and Cash Equivalents .....	14	2,348.08	2,071.90
(iv) Bank Balances other than (iii) above .....	15	1,416.88	1,546.33
(v) Loans .....	16	37.71	41.48
(vi) Other Financial Assets .....	17	371.78	1,015.28
(c) Other Current Assets .....	18	10,260.26	11,191.48
<b>Total Current Assets .....</b>		<b>56,176.40</b>	<b>53,650.38</b>
<b>Total, Assets .....</b>		<b>1,27,231.02</b>	<b>1,25,829.97</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital .....	19	1,843.01	1,843.01
<b>Other Equity</b>			
(b) Other Equity .....	20	66,173.10	64,265.31
<b>Total Equity .....</b>		<b>68,016.11</b>	<b>66,108.32</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings .....	21	9,693.00	12,865.71
(ii) Other Financial Liabilities .....	22	1,282.24	731.95
(b) Provisions .....	23	2,322.33	1,590.94
<b>Total, Non-Current Liabilities .....</b>		<b>13,297.57</b>	<b>15,188.60</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings .....	24	10,597.86	11,339.36
(ii) Trade Payables .....	25		
Total Outstanding Dues of Micro Enterprises and Small Enterprises .....		1.19	6.66
Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises .....		16,628.10	17,063.75
(iii) Other Financial Liabilities .....	26	12,359.07	10,927.72
(b) Provisions .....	27	5,154.96	4,421.26
(c) Other Current Liabilities .....	28	1,176.16	774.30
<b>Total, Current Liabilities .....</b>		<b>45,917.34</b>	<b>44,533.05</b>
<b>Total, Liabilities .....</b>		<b>59,214.91</b>	<b>59,721.65</b>
<b>Total, Equity and Liabilities .....</b>		<b>1,27,231.02</b>	<b>1,25,829.97</b>

The above statement of Balance Sheet should be read in conjunction with the accompanying notes.

As per our Report of even date attached  
For **Gokhale & Sathe**  
Chartered Accountants  
Firm Registration no.: 103264W

**Tejas Parikh**  
Partner  
M. No. 123215

**Aditi Panandikar**  
Managing Director  
DIN : 00179113

**Mandar Borkar**  
CFO

**Sundeep V Bambolkar**  
Jt. Managing Director  
DIN : 00176613

**Jayshankar Menon**  
Company Secretary

Mumbai : June 24, 2020



## Statement of Profit and Loss Account

### For the year ended March 31, 2020

Particulars	Note No.	Year ended March 31, 2020	(₹ lakhs) Year ended March 31, 2019
<b>Income</b>			
(a) Revenue from Operations .....	29	1,10,599.49	96,773.33
(b) Other Income .....	30	242.98	615.47
<b>Total Income (I) .....</b>		<b>1,10,842.47</b>	<b>97,388.80</b>
<b>Expenditure</b>			
(c) Cost of Materials Consumed .....	31a	26,268.22	24,008.89
(d) Purchase of Stock in Trade .....	31b	7,579.66	6,676.57
(e) Changes in Inventories of Finished Goods, Stock in Trade & Work in Progress .....	31c	(805.03)	1,332.18
(f) Employee Benefit Expenses .....	32	25,531.57	23,126.49
(g) R&D Expenses .....	33	4,970.21	5,151.55
(h) Finance Costs .....	36	2,625.20	2,053.89
(i) Depreciation, Amortization and Impairment Expense..	34	7,081.12	7,156.41
(j) Other Expenditure .....	35	34,720.66	28,807.17
<b>Profit / (Loss) before Tax .....</b>		<b>2,870.86</b>	<b>(924.35)</b>
(k) Provision for Tax	37		
(a) Current .....		385.81	–
(b) Deferred .....		60.23	(640.24)
<b>Total Taxes .....</b>		<b>446.04</b>	<b>(640.24)</b>
<b>Profit / (Loss) for the year .....</b>		<b>2,424.82</b>	<b>(284.11)</b>
<b>(l) Other Comprehensive Income</b>			
<u>Items that will not be reclassified to profit and loss</u>			
i) Remeasurements of post-employment benefit obligations .....	38	(282.45)	(80.74)
ii) Income tax relating to this item .....	37	98.70	28.21
<b>Total Other Comprehensive Income</b>		<b>(183.75)</b>	<b>(52.53)</b>
<b>Total Comprehensive income for the year</b>		<b>2,241.07</b>	<b>(336.64)</b>
(m) <b>Earnings Per Share</b>			
<b>Basic &amp; Diluted (₹)</b>	44	2.63	(0.31)

The above statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our Report of even date attached  
For **Gokhale & Sathe**  
Chartered Accountants  
Firm Registration no.: 103264W

**Tejas Parikh**  
Partner  
M. No. 123215

**Aditi Panandikar**  
Managing Director  
DIN : 00179113

**Mandar Borkar**  
CFO

**Sundeep V Bambolkar**  
Jt. Managing Director  
DIN : 00176613

**Jayshankar Menon**  
Company Secretary

Mumbai : June 24, 2020

## Cash Flow Statement

### For the year ended March 31, 2020

(₹ lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>(A) Cash Flow from Operating Activities :</b>		
<b>Net Profit / (Loss) before tax and extraordinary item</b>	<b>2,870.86</b>	(924.35)
Adjustments for :		
Depreciation, Amortisation and Impairment Expense	7,081.12	7,156.41
Profit on sale of Fixed Assets	(2.63)	(0.31)
Loss on sale of Fixed Assets	25.29	20.65
Sundry Balance written back	(7.77)	(110.29)
Provision for Doubtful Debts / Bad Debts	583.20	601.02
Investment in Subsidiaries Written off	-	29.02
Interest Income	(123.53)	(155.71)
Dividend received on Investments	(0.02)	(0.32)
Unrealised Foreign Exchange (Gain) / Loss	119.44	(730.16)
Finance Cost (Other than Unrealised Foreign Exchange (Gain) / Loss)	<u>2,276.17</u>	<u>2,123.69</u>
	<b>9,951.27</b>	8,934.00
<b>Operating Profit before Working Capital Change</b>	<b>12,822.13</b>	<b>8,009.65</b>
Adjustments for:		
Decrease / (Increase) in Trade Receivables	(1,824.76)	1,395.40
Decrease / (Increase) in Other Current Financial Assets	647.27	(799.10)
Decrease / (Increase) in Other Current Assets	931.21	979.65
Decrease / (Increase) in Inventories	(2,486.61)	985.68
Decrease / (Increase) in Other Non Current Financial Assets	(44.51)	1,081.25
Decrease / (Increase) in Other Non Current Assets	(42.26)	(33.96)
Increase / (Decrease) in Trade Payables	(433.34)	2,236.23
Increase / (Decrease) in Non Current Financial Liabilities	557.80	20.46
Increase / (Decrease) in Non Current Provisions	448.94	244.01
Increase / (Decrease) in Other Non Current Liabilities	-	(250.00)
Increase / (Decrease) in Current Financial Liabilities	945.82	41.53
Increase / (Decrease) in Current Provisions	733.70	601.82
Increase / (Decrease) in Other Current Liabilities	<u>401.86</u>	<u>(937.37)</u>
	<b>(164.88)</b>	5,565.60
<b>Cash generated from Operations</b>	<b>12,657.25</b>	<b>13,575.25</b>
Income Tax Paid (Net of Refund)	(391.71)	(361.88)
<b>Net Cash generated from Operating Activities (A)</b>	<b>12,265.54</b>	<b>13,213.37</b>
<b>(B) Cash Flow from Investing Activities</b>		
Payment towards Capital Expenditure	(5,846.44)	(9,694.86)
Sale of Fixed Assets	10.13	395.27
Payment on purchases of Investments	(0.90)	(12.01)
Bank Balance not considered as Cash & Cash Equivalents	129.45	(1,214.10)
Interest Received	113.08	149.65
Dividend received on Investments	0.02	0.32
<b>Net Cash used in Investing Activities (B)</b>	<b>(5,594.66)</b>	<b>(10,375.73)</b>

## Cash Flow Statement

### For the year ended March 31, 2020

... Contd. from previous page

(₹ lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>(C) Cash Flow from Financing Activities</b>		
Finance Cost (Other than Unrealised Foreign Exchange (Gain) / Loss)	(2,232.89)	(2,081.76)
Payment of Lease Liability	(7.51)	—
Dividend Paid	(336.32)	(1,109.37)
Proceeds from Long Term Borrowings	2,300.00	6,166.30
Repayment of Long Term Borrowings	(5,388.16)	(4,886.86)
Proceeds / (Repayment) from Short Term Borrowings	(729.82)	297.45
<b>Net Cash inflow / (outflow) from Financing Activities (C)</b>	<b>(6,394.70)</b>	<b>(1,614.24)</b>
<b>Net Increase / (Decrease) in Cash or Cash Equivalents (A+B+C)</b>	<b>276.18</b>	<b>1,223.40</b>
<b>Cash and Cash Equivalents at the beginning of the Financial Year</b>	<b>2,071.90</b>	<b>848.50</b>
<b>Cash and Cash Equivalents at the end of the Financial Year (Refer Note 14)</b>	<b>2,348.08</b>	<b>2,071.90</b>

#### Notes:

- The above statement of Cash Flows should be read in conjunction with the accompanying notes.
- The above Cash Flow Statement has been prepared under "Indirect Method" set out in Ind AS-7, issued by Institute of Chartered Accountants of India
- Figures in brackets indicate cash outgo.
- Previous year's figures have been regrouped and reclassified wherever necessary.
- Cash and Cash Equivalents comprise of :

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
a. Cash on Hand	9.61	9.21	15.27
b. Balances with Bank	2,338.47	2,062.69	833.23
<b>Total</b>	<b>2,348.08</b>	<b>2,071.90</b>	<b>848.50</b>

- Changes in liability arising from financing activities :

Particulars	Borrowings		
	Non-Current (Note 21)	Current (Note 24)	Total
As at March 31, 2018	17,249.24	10,993.14	28,242.38
Cash Flow	1,279.44	297.45	1,576.89
Foreign exchange movement	(118.57)	48.77	(69.80)
<b>As at March 31, 2019</b>	<b>18,410.11</b>	<b>11,339.36</b>	<b>29,749.47</b>
Cash Flow	(3,088.16)	(729.82)	(3,817.98)
Foreign exchange movement	360.71	(11.68)	349.03
<b>As at March 31, 2020</b>	<b>15,682.66</b>	<b>10,597.86</b>	<b>26,280.52</b>

As per our Report of even date attached  
For **Gokhale & Sathe**  
Chartered Accountants  
Firm Registration no.: 103264W

**Aditi Panandikar**  
Managing Director  
DIN : 00179113

**Sundeep V Bambolkar**  
Jt. Managing Director  
DIN : 00176613

**Tejas Parikh**  
Partner  
M. No. 123215

**Mandar Borkar**  
CFO

**Jayshankar Menon**  
Company Secretary

Mumbai : June 24, 2020

## Statement for Changes in Equity

### For the year ended March 31, 2020

#### a. Equity Share Capital

(₹ lakhs)

Particulars	Note No	Amount
As at April 1, 2018	19	1,843.01
Changes in Equity Share Capital		–
<b>As at March 31, 2019</b>		<b>1,843.01</b>
Changes in Equity Share Capital		–
<b>As at March 31, 2020</b>		<b>1,843.01</b>

#### b. Other Equity

(₹ lakhs)

Particulars	Note No.	Reserves & Surplus				Total Other Equity
		Securities Premium	Capital reserve	General reserve	Retained Earnings	
<b>Balance as at April 1, 2018</b>	20	<b>6,420.93</b>	<b>0.02</b>	<b>25,817.64</b>	<b>33,474.28</b>	<b>65,712.87</b>
Changes in treasury shares during the year						
Profit for the year		–	–	–	(284.11)	(284.11)
Other comprehensive income for the year		–	–	–	(52.53)	(52.53)
<b>Total Comprehensive income for the year</b>		–	–	–	(336.64)	(336.64)
Dividends (including dividend distribution tax of ₹ 189.42 lakhs)		–	–	–	(1,110.92)	(1,110.92)
Transfer to General Reserve		–	–	–	–	–
<b>Balance as at March 31, 2019</b>		<b>6,420.93</b>	<b>0.02</b>	<b>25,817.64</b>	<b>32,026.72</b>	<b>64,265.31</b>
<b>Balance as at April 1, 2019</b>		<b>6,420.93</b>	<b>0.02</b>	<b>25,817.64</b>	<b>32,026.72</b>	<b>64,265.31</b>
Changes in equity share capital during the year						
Profit / (Loss) for the year		–	–	–	2,424.82	2,424.82
Other comprehensive Income for the year		–	–	–	(183.75)	(183.75)
<b>Total comprehensive income for the year</b>		–	–	–	2,241.07	2,241.07
Dividends (including dividend distribution tax of ₹ 56.83 lakhs)		–	–	–	(333.28)	(333.28)
Transfer to General Reserve		–	–	–	–	–
<b>Balance as at March 31, 2020</b>		<b>6,420.93</b>	<b>0.02</b>	<b>25,817.64</b>	<b>33,934.51</b>	<b>66,173.10</b>

The above statement of Changes in Equity should be read in conjunction with the accompanying notes.

Remeasurement loss (net of tax) on defined benefit plan ₹ 183.75 lakhs (Remeasurement loss (net of tax) Previous year ₹ 52.53 lakhs) is recognised during the year as part of Retained Earnings.

# Notes to Financial Statements (Standalone)

For the year ended March 31, 2020

## Corporate Information

Indoco Remedies Limited (the Company) is a Public Limited Company domiciled in India and incorporated under the provision of the Companies Act, VII of 1913. Its Shares are listed on two stock exchanges in India i.e Bombay Stock Exchange and National Stock Exchange. Indoco Remedies Limited is engaged in the manufacturing and marketing of Formulations (Finished Dosage Forms) and Active Pharmaceutical Ingredients (APIs). The Company caters to both domestic and International markets, Company has two wholly owned subsidiaries Xtend Industrial Designers and Engineers Pvt Ltd (formerly known as Indoco Industrial Designers & Engineers Pvt. Ltd.) and Indoco Remedies Czech sro.

### 1. Significant Accounting Policies followed by the Company

#### a) Basis of Preparation

##### (i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

These standalone financial statements were authorised for issue by the Company's Board of Directors on June 24, 2020.

##### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at fair value;
- Assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- Defined benefit plans - Plan assets measured at fair value;

##### (iii) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

##### (iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

#### b) Use of estimates and judgements

The preparation of financial statements requires management of the Company to make estimates and assumptions that affect the reported assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Management at each reporting date reviews estimates and underlying assumptions. Actual results could differ from these estimates. Any revision of these estimates is recognise prospectively in the current and future periods.

Following are the critical judgements and estimates:

#### Critical judgments:

##### a Taxes on Income:

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions and possibility of utilisation of Minimum Alternate Tax [MAT] Credit in future.

**b Employee benefits:**

Significant judgments are involved in making estimates about the life expectancy, discounting rate, salary increase, etc. which significantly affect the working of the present value of future liabilities on account of employee benefits by way of defined benefit plans.

**c Product warranty and expiry claims:**

Significant judgments are involved in determining the estimated stock lying in the market with product shelf life and estimates of likely claims on account of expiry of such unsold goods lying with stockists.

**d Impairment of property, plant and equipment**

Significant judgment is involved in determining the estimated future cash flows from Property, Plant and Equipment to determine their value in use to assess whether there is any impairment in their carrying amounts as reflected in the financials.

**e Contingent liabilities:**

Significant judgment is involved in determining whether there is a possible obligation that may, but probably will not require an outflow of resources.

**Critical estimates:**

**a Property, Plant and Equipment:**

Property, Plant and Equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Management reviews the residual values, useful lives and methods of depreciation of Property, Plant and Equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

**b Sales return**

The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. Accordingly, the estimate of sales returns is determined primarily by the Company's historical experience in the markets in which the Company operates.

**c) Segment Reporting**

The Company has only one business segment i.e Pharmaceutical Products.

**d) Foreign Currency Translation**

**(i) Functional and presentation currency**

The Financial Statements are presented in Indian rupees (INR) which is the functional and presentation currency.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Profit or Loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of Profit and Loss on a net basis within other gains / (losses).

**e) Revenue Recognition**

The company derives major portion of its revenue from manufacturing and marketing of Formulations (Finished Dosage Forms) and Active Pharmaceutical Ingredients (APIs). Other sources of revenue include

Dossiers development, Analytical Studies and Bio-equivalent studies undertaken by the company on behalf of customers.

With effect from April 1, 2018, the company has adopted Ind AS 115, Revenue from Contracts with Customers. The company analysed the impact of Ind AS on incomplete contracts, if any and concluded that the effect of adoption of Ind AS 115 was insignificant.

#### **Recognising revenue from major business activities**

##### **i. Sale of goods - FDF and API**

Revenue from sale of FDF and API are recognised when the performance obligations are satisfied in accordance with Ind AS 115. Performance obligations are deemed to have been satisfied when substantial risk and rewards of ownership are transferred to the customer and the customer obtains control of the promised goods. In case of domestic sales, performance obligations are satisfied when goods are dispatched, or delivery is handed over to the transporter. In case of export sales, performance obligations are satisfied based on terms defined in the contracts. In case of Ex-works contracts, performance obligation is satisfied when goods are shipped or dispatched from the factory and in other cases when the goods are shipped on board based on Bill of Lading / Airway Bill or any other similar document evidencing delivery thereof.

##### **ii. Revenue from services**

Services provided include Dossiers development, Analytical Studies and Bio-equivalent studies undertaken by the company on behalf of customers.

The contracts with customers for Dossiers and study reports are fixed-price contracts. Revenue from such contracts, where the performance obligations are satisfied over time and where there is no significant uncertainty as to measurement or collectability of consideration, is recognised as per the percentage of completion method i.e. based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. The effect that the contract modification has on the transaction price, and on the entity's measure of progress towards complete satisfaction of the performance obligation, is recognised as an adjustment to revenue (either as an increase in or a reduction of revenue) at the date of the contract modification (i.e. the adjustment to revenue is made on a cumulative catch-up basis).

##### **iii. Other operating revenue - Export incentives**

Revenue from Export Incentives under various schemes is recognised when the performance obligations are satisfied i.e. when the related export sales are effected.

##### **iv. Sales Return**

The Company recognises provision for sales return, on the basis of past experience, measured on net basis of the margin of the sales. Any unutilised provision for sales return is reversed to the Statement of Profit and Loss on completion of 3 years from the date of creation.

##### **f) Government Grants**

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

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Profit and Loss on a straight - line basis over the expected lives of related assets and presented within other income.

##### **g) Income Tax**

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

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of

the reporting period and are excepted to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

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

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

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

Minimum Alternate Tax [MAT] paid in a year is charged to the Statement of Profit and Loss as current tax.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

#### **h) Business Combinations**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Company; and
- Fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

#### **i) Cash and Cash Equivalents**

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



**j) Cash Flow Statements**

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

**k) Inventories**

Inventories of Raw Materials, work-in-progress, stores and spares, Finished Goods and Stock-in-trade are stated 'at cost or net realisable value, whichever is lower'. Goods-in-Transit are stated 'at cost'. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulas used are 'Weighted Average Cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

**l) Non-Current Assets held for Sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal Company classified as held for sale continue to be recognised.

**m) Derivatives and Hedging Activities**

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

**n) Property, Plant and Equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

**Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

<i>Asset Class</i>	<i>Useful Life</i>
Building and Premises - Office	60 years
Building and Premises - Factory	30 years
Plant and Machinery	15 years
Handling Equipment	15 years
Pollution Control Equipment	10 years
Laboratory Equipment	10 years
R & D Equipment	10 years
Plant Utilities	15 years
Electric Installation	10 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Computers - Desktops, Laptop etc.	3 years
Computers - Servers and Networks	6 years
Networking Instrument	6 years
Air Conditioning Unit	15 years
Vehicles	8 years
Trade Mark	15 years
Technical Know How	10 years

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

**o) Intangible Assets**

**(i) Computer software**

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use it
- There is an ability to use the software
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use the software are available, and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

**(ii) ANDA / DMFs / Dossiers**

All revenue expenditure incurred till the development of ANDAs / DMFs / Dossiers etc. are grouped under intangible assets under development. Once the development is complete, the expenditures incurred on the said project is capitalised & grouped under "Intangible Assets" and amortised based on best estimated commercial revenue period, not exceeding 5 years. The carrying value of the capitalised project is reviewed for impairment annually.

**(iii) Amortisation methods and periods**

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

- Trade Mark/ Technical Knowhow 15 years
- Technical Knowhow 10 Years
- Computer software 3 years
- ANDA / DMF 5 years

**p) Research and Development Expenditure**

Research & Development costs of revenue nature are charged to Profit & Loss account when incurred, Expenditure of capital nature is capitalised and depreciation is provided on these assets as per the provisions of the Companies Act, 2013.

**q) Borrowings**

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

**r) Borrowing Costs**

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

**s) Provisions**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

**t) 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.

**A Financial Assets:**

**a Initial recognition and measurement:** All financial assets are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset which are not at Fair Value through Profit and Loss Account are adjusted to fair value on initial recognition. Purchases or sales of financial assets are recognised on the settlement date i.e. the date that the Company settles to purchase or sell the asset.

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

**i Financial Assets measured at amortised cost:**

A 'financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held with an objective of collecting contractual cash flows
- Contractual terms of the asset give rise on specified dates to cash flows that are "solely payments of principal and interest" [SPPI] on the principal amount

outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate [EIR] method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of profit and loss.

**ii Financial Assets at fair value through other comprehensive income [FVTOCI]:**

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

- The asset is held with objective of both for collecting contractual cash flows and selling the financial assets
- The asset's contractual cash flows represent SPPI.

Financial Assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**iii Financial Assets at fair value through profit or loss [FVTPL]:**

Financial assets, which are not classified in any of the above categories are measured at FVTPL.

**iv Equity instruments:**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company has made such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment.

However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

**v Investments in subsidiaries and joint ventures:**

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint ventures, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss. Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries and joint ventures at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 1, 2015.

**c Derecognition:**

A financial asset [or, where applicable, a part of a financial asset] is primarily derecognised [i.e. removed from the Company's balance sheet] when:

- (i) The rights to receive cash flows from the asset have expired, or
- (ii) 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. When the Company has transferred the risks and rewards of ownership of the financial asset, the same is derecognised.

**d 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:

- i Financial assets that are debt instruments, and are measured at amortised cost
- ii Trade receivables or any contractual right to receive cash or another financial asset
- iii Financial assets that are debt instruments and are measured as at FVTOCI. The Company follows 'simplified approach' for recognition of impairment loss allowance on Point b above.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it requires the Company to recognise the 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. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive [i.e., all cash shortfalls], discounted at the original EIR. ECL impairment loss allowance [or reversal] is recognized as expense/ income 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 and 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, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount. For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics.

**B Financial Liabilities:**

**a Initial recognition and measurement:**

All financial liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**b Subsequent measurement:**

Subsequently all financial liabilities are measured as amortised cost, using EIR method. Gains and losses are recognised in Statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit and loss.

**c 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.

**d Embedded derivatives:**

An embedded derivative is a component of a hybrid [combined] instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of profit and loss, unless designated as effective hedging instruments.

**C Offsetting of financial instruments:**

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

**u) Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a In the principal market for the asset or liability, or
- b 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. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. 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:

- a Level 1 — Quoted [unadjusted] market prices in active markets for identical assets or liabilities
- b Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c 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.

**v) Employee Benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

**(ii) Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

**(iii) Post-employment obligations**

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity
- (b) Defined contribution plans such as provident fund and Superannuation

**Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

**Defined Contribution Plans**

Defined Contribution Plans such as Provident Fund, Superannuation etc., are charged to the Statement of Profit and Loss as incurred.

**w) Contributed Equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(i) Earnings per Share**

**Basic earnings per share**

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company

- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

#### **Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

#### **(ii) Dividends to shareholders**

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

#### **x) Contingent Liabilities**

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 beyond 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

#### **y) Leases**

The Company has adopted IND AS 116, "Leases", effective April 1, 2019, using modified retrospective approach.

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of lease payments that are not paid at the commencement date of the lease. The lease payment are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short term and low value leases, the Company recognises the lease payments as an operating expense on a straight line basis over the lease term.

#### **NOTE 2: Use of Estimates and Judgments**

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.





**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 4 : Right-of-use assets**

Particulars	Plant & Machinery	Laboratory Equipments	Plant - Utilities	Software	Total
<b>Year ended March 31, 2020</b>					
<b>Gross carrying value</b>					
Opening gross carrying amount	-	-	-	-	-
Additions	242.66	141.68	157.62	0.82	542.78
Disposals	-	-	-	-	-
<b>Closing gross carrying value</b>	<b>242.66</b>	<b>141.68</b>	<b>157.62</b>	<b>0.82</b>	<b>542.78</b>
<b>Accumulated depreciation</b>					
Opening accumulated depreciation	-	-	-	-	-
Depreciation charge during the year	7.47	6.36	2.29	0.15	16.27
Disposals	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>7.47</b>	<b>6.36</b>	<b>2.29</b>	<b>0.15</b>	<b>16.27</b>
<b>Net carrying value as at March 31, 2020</b>	<b>235.19</b>	<b>135.32</b>	<b>155.33</b>	<b>0.67</b>	<b>526.51</b>

Refer to note 39 for information on Leases

**Note 5 : Intangible Assets**

Particulars	Trade Mark	Computer Software *	Technical Knowhow	ANDAs, DMFs, Dossiers	Total	Intangible Assets under development
<b>Year ended March 31, 2019</b>						
<b>Gross carrying amount</b>						
Opening gross carrying amount as at April 1, 2018	1,032.30	1,253.36	1.15	14,915.67	17,202.48	5,978.17
Additions	-	217.39	-	-	217.39	1,568.42
Intangible Assets Capitalised	-	-	-	3,126.51	3,126.51	(3,126.51)
<b>Closing gross carrying amount</b>	<b>1,032.30</b>	<b>1,470.75</b>	<b>1.15</b>	<b>18,042.18</b>	<b>20,546.38</b>	<b>4,420.08</b>
<b>Accumulated amortisation</b>						
Opening accumulated amortisation	896.40	933.05	1.09	10,606.03	12,436.57	-
Amortisation for the year	48.77	244.91	-	2,722.08	3,015.76	-
Impairment for the year	-	-	-	-	-	-
<b>Closing accumulated amortisation</b>	<b>945.17</b>	<b>1,177.96</b>	<b>1.09</b>	<b>13,328.11</b>	<b>15,452.33</b>	<b>-</b>
<b>Net carrying amount</b>	<b>87.13</b>	<b>292.79</b>	<b>0.06</b>	<b>4,714.07</b>	<b>5,094.05</b>	<b>4,420.08</b>
<b>Year ended March 31, 2020</b>						
<b>Gross carrying amount</b>						
Opening gross carrying amount as at April 1, 2019	1,032.30	1,470.75	1.15	18,042.18	20,546.38	4,420.08
Additions	-	357.70	-	-	357.70	1,600.91
Intangible Assets Capitalised	-	-	-	1,683.09	1,683.09	(1,683.09)
<b>Closing gross carrying amount</b>	<b>1,032.30</b>	<b>1,828.45</b>	<b>1.15</b>	<b>19,725.27</b>	<b>22,587.17</b>	<b>4,337.90</b>
<b>Accumulated amortisation</b>						
Opening accumulated amortisation	945.17	1,177.96	1.09	13,328.11	15,452.33	-
Amortisation for the year	25.97	229.09	0.06	1,789.97	2,045.09	-
Impairment for the year (**)	-	-	-	286.84	286.84	-
<b>Closing accumulated amortisation</b>	<b>971.14</b>	<b>1,407.05</b>	<b>1.15</b>	<b>15,404.92</b>	<b>17,784.26</b>	<b>-</b>
<b>Closing net carrying amount</b>	<b>61.16</b>	<b>421.40</b>	<b>-</b>	<b>4,320.35</b>	<b>4,802.91</b>	<b>4,337.90</b>

\* Computer software also consists of capitalised development costs being an internally generated intangible asset.

\*\* Based on management assessment of prevailing market conditions and technical aspects, impairment charge of ₹ 286.84 lakhs has been included under depreciation, amortisation and impairment expense in the Statement of Profit and Loss Account.

## Notes (Standalone)

on financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

### Note 6(a) : Non Current Financial Investments

Particulars	March 31, 2020	March 31, 2019
<b>Unquoted (at Cost) :</b>		
<b>Trade Investment</b>		
<b>Investments in Equity Instruments</b>		
<b>In Subsidiary Companies</b>		
(i) Xtend Industrial Designers & Engineers P. Ltd. [20,27,025 Equity Shares of ₹ 10/- each (Previous Year 20,27,025 Equity Shares of ₹ 10/- each)]	242.32	242.32
(ii) Indoco Remedies Czech sro (5 Shares of USD 1265.30 @ 71.15 each)	0.90	-
	243.22	242.32
<b>Non-Trade Investment</b>		
<b>Investments in Equity Instruments</b>		
<b>Other than Subsidiary Companies</b>		
(i) Shivalik Solid Waste Management Ltd. Baddi [20,000 Shares of ₹ 10 each, (Previous Year 20,000 Shares of ₹ 10 each)]	2.00	2.00
(ii) Saraswat Co-op. Bank Ltd. [1,000 ordinary shares of ₹ 10 each, (Previous Year 1,000 ordinary shares of ₹ 10 each)]	0.10	0.10
	2.10	2.10
<b>Total, Non Current Financial Investments</b>	<b>245.32</b>	<b>244.42</b>

### Note 6(b) : Current Financial Investments

Particulars	March 31, 2020	March 31, 2019
<b>Unquoted : (at cost)</b>		
National Spot Exchange	462.90	462.90
<b>Total</b>	<b>462.90</b>	<b>462.90</b>
Less : Provision for diminution in value of investment	(462.90)	(462.90)
<b>Total, Current Financial Investments</b>	<b>-</b>	<b>-</b>

### Note 7 : Non Current Financial Assets - Loans

Particulars	March 31, 2020	March 31, 2019
<b>Unsecured, Considered Good</b>		
Loan to Employees	99.87	125.62
<b>Total, Non Current Financial Assets - Loans</b>	<b>99.87</b>	<b>125.62</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 8 : Non Current Other Financial Assets**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Deposit - Others	325.01	281.37
Tender Deposits	84.73	72.23
Deposit With OPC Asset Solutions	14.12	–
Margin money	163.79	153.33
<b>Total, Non Current Other Financial Assets</b>	<b>587.65</b>	<b>506.93</b>

**Note 9 : Deferred Tax Assets (Net)**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Mat Credit Entitlement	5,677.65	5,291.84
<u>Deferred Tax (Net)</u>		
Deferred Tax Liability		
i) On fiscal allowances on fixed assets	(4,211.20)	(3,731.25)
	(4,211.20)	(3,731.25)
Deferred Tax Assets		
i) On employee benefit obligations	1,710.18	1,501.22
ii) On provision for doubtful debts	254.30	330.65
iii) On provision for doubtful advances	161.76	161.76
	2,126.24	1,993.63
<b>Total, Deferred Tax Assets (Net)</b>	<b>3,592.69</b>	<b>3,554.22</b>

**Movement in Deferred Tax Assets (Net)**

<i>Particulars</i>	<i>MAT Credit Entitlement</i>	<i>Deferred Tax Assets</i>				<i>Deferred Tax Liabilities</i>		<i>Net Total</i>
		<i>Tax Losses</i>	<i>Employee benefit obligation</i>	<i>Provisions</i>	<i>Total</i>	<i>Property, Plant and equipment and investment property</i>	<i>Total</i>	
<b>At April 1, 2018</b>	5,620.74	–	1,237.97	301.22	1,539.19	4,024.49	4,024.49	3,135.44
(Charged)/credited:								
to profit or loss	(79.23)	–	235.04	191.19	426.23	(293.24)	(293.24)	640.24
to other	–	–	28.21	–	28.21	–	–	28.21
comprehensive income								
to Deferred tax on basis adjustment	(249.67)	–	–	–	–	–	–	(249.67)
<b>At March 31, 2019</b>	<b>5,291.84</b>	<b>–</b>	<b>1,501.22</b>	<b>492.41</b>	<b>1,993.63</b>	<b>3,731.25</b>	<b>3,731.25</b>	<b>3,554.22</b>
(Charged)/credited:								
to profit or loss	385.81	–	110.26	(76.35)	33.91	479.95	479.95	(60.23)
to other	–	–	98.70	–	98.70	–	–	98.70
comprehensive income								
to Deferred tax on basis adjustment	–	–	–	–	–	–	–	–
<b>At March 31, 2020</b>	<b>5,677.65</b>	<b>–</b>	<b>1,710.18</b>	<b>416.06</b>	<b>2,126.24</b>	<b>4,211.20</b>	<b>4,211.20</b>	<b>3,592.69</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 10 : Income Tax Assets (Net)**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Opening balance	918.11	306.56
Add : Taxes paid (net)	391.71	361.88
Less : Current Tax payable for the year	(385.81)	–
Add/Less : Assessment Completed / Adjustments	–	249.67
<b>Closing balance</b>	<b>924.01</b>	<b>918.11</b>

The following table provides the details of income tax assets and liabilities as of March 31, 2020 and March 31, 2019

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Income Tax Assets	924.01	918.11
Income Tax Liabilities	–	–
<b>Net current income tax assets / (liability) at the end</b>	<b>924.01</b>	<b>918.11</b>

**Note 11 : Other Non Current Assets**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Capital Advance	770.34	774.84
Pre-Paid Expenses	4.17	2.77
Sales Tax Receivable	795.56	754.71
Advance - Others	2.95	2.95
<b>Total, Other Non Current Assets</b>	<b>1,573.02</b>	<b>1,535.27</b>

**Note 12 : Inventories**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
<b>Inventories</b>		
Raw and Packing Materials	11,930.50	10,246.57
Work in Progress	2,636.94	2,492.39
Finished Goods	4,491.70	3,729.42
Stock in Trade	1,011.80	1,113.60
Stores and Spares	753.05	755.40
<b>Total, Inventories</b>	<b>20,823.99</b>	<b>18,337.38</b>

**Amounts recognised in profit or loss**

Provision for write-downs of inventories amounted to INR 1,325.10 lakhs (March 31, 2019 – INR 1,188.15 lakhs). These were recognised as an expense during the year and included in value of inventories of work-in-progress, stock-in-trade and finished goods in statement of profit and loss.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 13 : Trade Receivables**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
<b>Trade receivables</b>		
<u>Unsecured</u>		
Debts outstanding for more than six months from the date they are due for payment		
Considered Good	5,775.33	5,282.88
Considered Doubtful	727.74	946.23
	<b>6,503.07</b>	6,229.11
Less: Provision for doubtful debts	(727.74)	(946.23)
	<b>5,775.33</b>	5,282.88
Other Debts - Considered Good	15,142.37	14,163.65
<b>Total, Trade receivables</b>	<b>20,917.70</b>	<b>19,446.53</b>
Current Portion	20,917.70	19,446.53
Non-current Portion	–	–

**Break-up of security details**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Secured, considered good	–	–
Unsecured, considered good	20,917.70	19,446.53
Considered Doubtful	727.74	946.23
<b>Total</b>	<b>21,645.44</b>	<b>20,392.76</b>
Allowance for doubtful trade receivables	(727.74)	(946.23)
<b>Total, Trade receivables</b>	<b>20,917.70</b>	<b>19,446.53</b>

Refer Note 45 for information about credit risk and market risk of trade receivables.

**Note 14 : Cash and Cash Equivalents**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
<b>Cash and Cash Equivalents</b>		
(i) Cash on hand	9.61	9.21
(ii) Balances with Banks		
In Current Accounts	1,983.80	993.22
In EEFC Accounts	295.02	184.24
In Margin Accounts	–	52.38
In Fixed Deposit	59.65	832.85
<b>Total, Cash and Cash Equivalents</b>	<b>2,348.08</b>	<b>2,071.90</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 15 : Bank Balances Other than Cash & Cash Equivalents**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
In Earmarked Accounts		
Unpaid Dividend Accounts	27.66	30.70
Margin Accounts	1,389.22	1,515.63
<b>Total, Bank Balances Other than Cash &amp; Cash Equivalents</b>	<b>1,416.88</b>	<b>1,546.33</b>

**Note 16 : Current Financial Assets - Loans**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
<u>Unsecured, Considered Good</u>		
Loan to Employees	37.71	41.48
<b>Total, Current Financial Assets - Loans</b>	<b>37.71</b>	<b>41.48</b>

**Note 17 : Current Financial Assets - Others**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Tender Deposits	71.89	14.15
Mark to Market Gain (Net) on financial instruments	299.74	997.70
Insurance claim receivable	–	3.12
Franking Advance	0.15	0.31
<b>Total, Current Financial Assets - Others</b>	<b>371.78</b>	<b>1,015.28</b>

**Note 18 : Other Current Assets**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Advances to Suppliers	1,142.89	1,020.58
Share Application Money	–	0.90
Pre-paid Expenses	536.52	534.93
Employee Advances	97.33	45.45
Receivable - Others	21.32	17.76
Receivable From OPC Assets	53.26	–
Balance with Statutory / Government Authorities	8,408.94	9,571.86
<b>Total, Other Current Assets</b>	<b>10,260.26</b>	<b>11,191.48</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 19 : Equity Share Capital**

Particulars	March 31, 2020	March 31, 2019
<b>Authorised</b>		
12,50,00,000 Equity Shares of ₹ 2/- each (Previous Year 12,50,00,000 Equity Shares of ₹ 2/- each)	<b>2,500.00</b>	<b>2,500.00</b>
<b>Issued, Subscribed and Paid up:</b>		
9,21,50,355 Equity Share of ₹ 2/- each (Previous year 9,21,50,355 Equity Share of ₹ 2/- each) fully paid up.	<b>1,843.01</b>	1,843.01

A) Reconciliation of number of ordinary shares outstanding	March 31, 2020 Equity Shares		March 31, 2019 Equity Shares	
	Number	(₹ lakhs)	Number	(₹ lakhs)
Shares outstanding at the beginning of the year	9,21,50,355	1,843.01	9,21,50,355	1,843.01
Less : Adjustments	-	-	-	-
Add: Issue of Bonus shares	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	9,21,50,355	1,843.01	9,21,50,355	1,843.01

B) Details of Shares held by each shareholder holding more than 5% shares	March 31, 2020		March 31, 2019	
	No of Shares held @ ₹ 2/- per share	% holding in that class of Shares	No of Shares held @ ₹ 2/- per share	% holding in that class of Shares
<u>Equity Shares with voting rights :</u>				
i) Spa Holdings Pvt Ltd	1,83,35,000	19.90%	1,83,35,000	19.90%
ii) Shanteri Investment Pvt Ltd	1,57,71,755	17.12%	1,57,71,755	17.12%
iii) Aditi Panandikar	55,59,013	6.03%	55,59,013	6.03%
iv) Madhura Ramani	51,84,079	5.63%	51,84,079	5.63%
v) Aruna Suresh Kare	47,94,714	5.20%	47,94,714	5.20%
vi) Reliance Capital Trustee Co Ltd-a/c Nippon India Small Cap Fund	60,97,774	6.62%	26,22,001	2.85%

**C) Terms/rights attached to equity shares**

The company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. All equity shares of the Company rank pari passu in all respects including the right to dividend. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2020, the amount of ₹ 0.30 per share on the face value of ₹ 2 is proposed to the equity shareholders of the company (Previous year - ₹ 0.30 per share on face value of ₹ 2 declared and paid to the equity shareholders of the Company).

In the event of winding-up, subject to the rights of holders of shares issued upon special terms and conditions, the holders of equity shares shall be entitled to receive remaining assets, if any, in proportion to the number of shares held at the time of commencement of winding-up.



**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 20 : Other Equity**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Capital Reserve	0.02	0.02
Securities Premium	6,420.93	6,420.93
General Reserve	25,817.64	25,817.64
Retained Earnings	33,934.51	32,026.72
<b>Total, Other Equity</b>	<b>66,173.10</b>	<b>64,265.31</b>

(i) **Capital Reserve**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Opening Balance	0.02	0.02
Additions	–	–
<b>Closing balance</b>	<b>0.02</b>	<b>0.02</b>

(ii) **Securities Premium**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Opening Balance	6,420.93	6,420.93
Additions	–	–
<b>Closing balance</b>	<b>6,420.93</b>	<b>6,420.93</b>

(iii) **General Reserve**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Opening balance	25,817.64	25,817.64
Add : Transferred from Surplus in Statement of Profit & Loss	–	–
<b>Closing balance</b>	<b>25,817.64</b>	<b>25,817.64</b>

(iv) **Retained Earnings**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Opening balance	32,026.72	33,474.28
Add : Net Profit / (Loss) for the Year	2,424.82	(284.11)
Add : Other Comprehensive Income for the year	(183.75)	(52.53)
Amount available for appropriation	34,267.79	33,137.64
Less : Transferred to General Reserve	–	–
Less : Dividend paid	(276.45)	(921.50)
Less : Dividend Tax	(56.83)	(189.42)
<b>Closing balance</b>	<b>33,934.51</b>	<b>32,026.72</b>

**Nature of reserves**

(a) **Capital reserve**

The Company recognises profit and loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.

(b) **Securities premium**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(c) **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 a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 21 : Non-Current Financial Liabilities - Borrowings**

<i>Particulars</i>	<i>Terms of Repayment &amp; Securities</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
<b>Secured</b>			
Term Loans from Banks			
Foreign currency loan -ECB / FCNR(B)	Note No. 21 (i)	<b>6,361.87</b>	8,757.75
Indian rupee loan	Note No. 21 (ii)	<b>9,206.16</b>	9,519.21
Vehicle Loan from Bank	Note No. 21 (iii)	<b>5.05</b>	14.44
Interest accrued but not due	Note No. 26	<b>109.58</b>	118.71
<b>Total, Non Current Financial Liabilities - Borrowings</b>		<b>15,682.66</b>	<b>18,410.11</b>
Less: Current maturities of long-term debt (included in note 26)		<b>(5,880.08)</b>	(5,425.69)
Less: Interest accrued (included in note 26)		<b>(109.58)</b>	(118.71)
<b>Total, Non-current borrowings</b>		<b>9,693.00</b>	<b>12,865.71</b>

Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured long term borrowings.

<i>Note No.</i>	<i>Name of the Bank</i>	<i>Terms of Repayment &amp; Securities</i>
21 (i)	Citi Bank	
	Amount Sanctioned	USD 74,73,841.60
	Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly instalments of USD 4,67,115.10 each commencing from December 19, 2017 ending on September 19, 2021. The amount is payable in the month of March, June, September and December of each year.
	Rate of Interest	6.70 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement).
	Nature of Security	The loan is secured by (a) First Exclusive charge over the entire moveable fixed assets of the Company both present and future and equitable mortgage of Land and Building situated at HB : 211, Village : Katha, P.O. Baddi, Tehsil Baddi, Dist. Solan, Himachal Pradesh, Pin 173 205. (b) First and Exclusive charge over the Entire moveable Fixed Assets of the Company both present and future situated at Plant I, Village Katha, Baddi, Himachal Pradesh, Pin 173 205.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 21 : Non-Current Financial Liabilities - Borrowings : Contd.**

Note No.	Name of the Bank	Terms of Repayment & Securities
21 (i)	Standard Chartered Bank Amount Sanctioned Terms of Repayment Rate of Interest Nature of Security	GBP 61,00,000.00 The Term Loan is Repayable in 16 equal quarterly instalments of GBP 381,250 each commencing from December 29, 2017 ending on September 29, 2021. The amount is payable in the month of March, June, September and December of each year. 3.40 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement). The loan is secured by equitable mortgage of Land and building situated at A-26,A-27, A-28/1, MIDC Industrial Area, Patalganga, Village Kaire, Tal. Khalapur, Dist. Raigad, Maharashtra - 410 220. The loan is secured by First Exclusive charge over the entire moveable fixed assets of the Company both present and future situated at A-26, A-27, A-28/1, A-28/2 MIDC Industrial Area, Patalganga, Village Kaire, Tal. Khalapur, Dist. Raigad, Maharashtra - 410 220. Exclusive charge on moveable fixed assets of the Company created out of the Loan at A - 27, MIDC Industrial Area, Patalganga, Village Kaire, Tal. Khalapur, Dist. Raigad, Maharashtra.- 410 220.
21 (i)	Standard Chartered Bank Amount Sanctioned Terms of Repayment Rate of Interest Nature of Security	Euro 30,00,000.00 The Term Loan is Repayable in 16 equal quarterly instalments of Euro 1,87,500 each commencing from January 13, 2020 ending on October 11, 2023. The amount is payable in the month of January, April, July and October of each year. 7.61 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement). The loan is secured by equitable mortgage of Land and building situated at A-26, A-27, A-28/1, MIDC Industrial Area, Patalganga, Village Kaire, Tal. Khalapur, Dist. Raigad, Maharashtra - 410 220. The loan is secured by First Exclusive charge over the entire moveable fixed assets of the Company both present and future situated at A-26, A-27, A-28/1, A-28/2 MIDC Industrial Area, Patalganga, Village Kaire, Tal. Khalapur, Dist. Raigad, Maharashtra - 410 220. Exclusive charge on moveable fixed assets of the Company created out of the Loan at A - 27, MIDC Industrial Area, Patalganga, Village Kaire, Tal. Khalapur, Dist. Raigad, Maharashtra.- 410 220.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 21 : Non-Current Financial Liabilities - Borrowings : Contd.**

Note No.	Name of the Bank	Terms of Repayment & Securities
21 (ii)	Saraswat Co. Op. Bank Ltd. Amount Sanctioned Terms of Repayment  Rate of Interest Nature of Security	₹ 50,00,00,000/- The Term Loan is Repayable in 59 monthly equal instalments of ₹ 83,33,000/- each and 60th instalment of ₹ 83,53,000/- commencing from January 14, 2020, ending on December 14, 2024. 8.05% p.a. Primary : First and Exclusive Charge on moveable assets at B 20 MIDC, Waluj, Aurangabad. 1st pari passu charge on moveable assets at L-14, Verna Industrial Area, Verna, Salcete, Goa – 403 722 & L-32/33/34, Verna Industrial Area, Verna, Salcete, Goa – 403 722.
21 (ii)	Saraswat Co. Op. Bank Ltd. Amount Sanctioned Terms of Repayment  Rate of Interest Nature of Security	₹ 35,00,00,000/- The o/s Term Loan is Repayable in 20 equal monthly instalments of ₹ 64,97,750/- each and last instalment of ₹ 64,93,205/- ending on December 19, 2021. 9.15% p.a. Primary : First and Exclusive charge over the entire moveable fixed assets of the Company at Plot No. R - 92 & R - 93, T. T. C. Industrial Area, Rabale, MIDC, Thane Belapur Road, Navi Mumbai-400 701.
21 (ii)	Saraswat Co. Op. Bank Ltd. Amount Sanctioned Amount Availed Terms of Repayment  Rate of Interest Nature of Security	₹ 38,00,00,000/- ₹ 23,00,00,000/- The Term Loan is Repayable in 59 monthly equal instalments of ₹ 38,33,333/- each and 60th instalment of ₹ 38,33,353/- commencing from May, 2021, ending on April, 2026. 8.75% p.a. Primary : First and Exclusive Charge on moveable assets at B 20 MIDC, Waluj, Aurangabad. 1st pari passu charge on moveable assets at L-14, Verna Industrial Area, Verna, Salcete, Goa – 403 722 & L-32/33/34, Verna Industrial Area, Verna, Salcete, Goa – 403 722.
21 (ii)	Citi Bank Amount Sanctioned Terms of Repayment  Rate of Interest Nature of Security	₹ 60,00,00,000/- The O/s Term Loan is Repayable in 2 equal quarterly instalments of ₹ 3,95,83,333/- each. Amount is due on April 15, 2020 and July 15, 2020. 9.50% p.a. The loan is secured by Parri Passu charge on Present and future moveable fixed assets located at Goa Plant L-14, Verna Industrial Area, Verna, Salcete, Goa – 403 722 & L- 32 /33/34, Verna Industrial Area, Verna, Salcete, Goa – 403 722.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 21 : Non-Current Financial Liabilities - Borrowings : Contd.**

Note No.	Name of the Bank	Terms of Repayment & Securities
21 (iii)	Vehicle Loan	
	Amount Sanctioned	₹ 41,00,000/-
	Terms of Repayment	The Loan is Repayable in 60 equated monthly instalments (EMI) of ₹ 86,530/- each (including principal and interest) commencing from October 07, 2015 ending on September 07, 2020.
	Rate of Interest	9.71 % p.a.
	Nature of Security	The loan is secured by hypothecation of the vehicle which has been purchased against the Loan.

**Note 22 : Non Current Other Financial Liabilities**

Particulars	March 31, 2020	March 31, 2019
<b>Unsecured</b>		
Security Deposit	732.89	727.53
Deposit Others	0.25	4.42
Lease Liability (refer note no. 39)	549.10	-
<b>Total, Non Current Other Financial Liabilities</b>	<b>1,282.24</b>	<b>731.95</b>

**Note 23 : Non Current Provisions**

Particulars	March 31, 2020	March 31, 2019
<b>Provision for Employee Benefit</b>		
Leave Obligations (refer note no. 38)	979.86	699.44
Gratuity (refer note no. 38)	1,342.47	891.50
<b>Total, Non Current Provisions</b>	<b>2,322.33</b>	<b>1,590.94</b>

**Note 24 : Current Financial Liabilities - Borrowings**

Particulars	Terms of Repayment & Securities	March 31, 2020	March 31, 2019
<b>Secured (Refer Note below)</b>			
<u>Loans from Banks</u>			
Cash Credit Facility	Note No. 24 (i)	2,062.76	2,969.41
Packing Credit in Rupee	Note No. 24 (iii)	1,000.00	-
Working Capital Demand Loan	Note No. 24 (iv)	520.68	1,000.00
Buyer's Credit	Note No. 24 (vi)	96.37	-
Interest accrued		54.61	43.39
<b>Unsecured</b>			
<u>Loans from Banks</u>			
Foreign Currency Export Packing Credit	Note No. 24 (ii)	1,013.44	2,626.56
Packing Credit in Rupee	Note No. 24 (iii)	2,000.00	-
Working Capital Demand Loan	Note No. 24 (iv)	2,400.00	1,400.00
Short Term Loan	Note No. 24 (v)	1,450.00	3,300.00
<b>Total, Current borrowings</b>		<b>10,597.86</b>	<b>11,339.36</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 24 : Current Financial Liabilities - Borrowings : Contd.**

Note No.	Type of Loan	Repayment and Rate of Interest
24 (i)	Cash Credit Facility	Is repayable on demand and carries interest @ 8.65 % p.a. to 10.15 % p.a. (Previous year @ 8.25 % p.a. to 10.15 % p.a.)
24 (ii)	Foreign Currency Export Packing Credit	Is payable on completion of the tenure. It carries interest @ LIBOR + 1% BPS to 1.70% BPS. (Previous year LIBOR + 1% BPS to 1.80% BPS)
24 (iii)	Packing Credit in Rupee	Is payable on completion of the tenure. It carries interest @ 7.75% to 8.50% p.a. (Previous Year @ 7.50% to 8.20% p.a.)
24 (iv)	Working Capital Demand Loan	Is repayable on demand and carries interest @ 7.50% p.a. to 8.75% p.a. (Previous year 7.70% p.a. to 8.75% p.a.)
24 (v)	Short Term Loan	Is repayable on demand and carries interest @ 7.75% p.a. to 9.00% p.a. (Previous year 8.15% p.a. to 8.80% p.a.)
24 (vi)	Buyer's Credit	Is repayable on completion of the tenure. The interest payable on the facility is LIBOR + 0.75% BPS to 1.50% BPS (Previous year Nil)

Note : Cash Credit, Packing Credit in Rupee, Buyer's Credit and Working Capital Demand Loan are part of Working Capital facilities availed from various Banks and are secured by First parri passu charge by hypothecation of all stocks and book debts.

**Note 25 : Trade Payables**

Particulars	March 31, 2020	March 31, 2019
Trade payables		
Total Outstanding Dues of Micro and Small Enterprises	1.19	6.66
Total Outstanding Dues of Creditors Other Than Micro and Small Enterprises	16,628.10	17,063.75
<b>Total, Trade Payables</b>	<b>16,629.29</b>	<b>17,070.41</b>

**Note 26 : Current Other Financial Liabilities**

Particulars	March 31, 2020	March 31, 2019
<b>Secured</b>		
Term Loans from Banks		
Indian Rupee loan	2,571.36	2,696.38
Vehicle Loan	5.05	10.38
Foreign Currency loan -ECB / FCNR(B)	3,303.67	2,718.92
Interest accrued	109.58	118.71
Unpaid Dividends	27.66	30.70
<b>Unsecured</b>		
Deposit Payable - Others	0.75	0.75
Lease Liability (refer note no. 39)	51.75	-
Other Current Liabilities	6,289.25	5,351.88
<b>Total, Current Other financial liabilities</b>	<b>12,359.07</b>	<b>10,927.72</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 27 : Current Provisions**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
<b>Provision for Employee Benefit</b>		
Leave Obligations (refer note no. 38)	308.50	189.98
Gratuity (refer note no. 38)	874.74	774.12
Bonus	1,099.20	1,028.35
<b>Others</b>		
Sales Return	2,872.52	2,428.81
<b>Total, Provisions</b>	<b>5,154.96</b>	<b>4,421.26</b>

- (i) Information about individual provisions and significant estimates

**Sales Returns**

When a customer has a right to return the product within a given period, the company recognises a provision for returns INR 1,933.72 lakhs as at March 31, 2020 (March 31, 2019 - INR 2,023.27 lakhs). This is measured on the previous history of sales return. Revenue is adjusted for the expected value of the returns and cost of sales & Inventory are adjusted for the value of the corresponding goods to be returned.

- (ii) Movements in provisions for Sales Return

Movements in each class of provision during the financial year, are set out below:

<i>Particulars</i>	<i>Sales Return</i>
<b>As at April 1, 2019</b>	<b>2,428.81</b>
Charged/(credited) to profit or loss	
Provision for current year	1,933.72
Provision of earlier years utilised as against returns of current year	(1,490.01)
<b>As at March 31, 2020</b>	<b>2,872.52</b>
<b>As at April 1, 2018</b>	2,042.33
Charges/(credited) to profit or loss	
Provision for Current Year	2,023.27
Provision for earlier years utilized as against returns of current year	(1,636.79)
<b>As at March 31, 2019</b>	<b>2,428.81</b>

**Note 28 : Other Current Liabilities**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Car Sale Advance	–	4.15
Advance from Customer	642.97	160.64
Statutory Dues	533.19	609.51
<b>Total, Other Liabilities</b>	<b>1,176.16</b>	<b>774.30</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 29 : Revenue from operations**

<i>Particulars</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
Sale of Product		
Domestic Sales	71,446.85	63,807.86
Export Sales	29,737.08	25,463.96
	<b>1,01,183.93</b>	89,271.82
Sale of Services		
Export Services	5,694.42	3,117.56
Domestic Services	1,060.57	1,747.32
	<b>6,754.99</b>	4,864.88
Other Operating Revenue		
Exchange Gain/(Loss) (Net) (other than considered in Finance Cost)	1,524.02	1,647.28
Export Incentives	1,100.61	954.50
Scrap Sale	35.94	34.85
	<b>2,660.57</b>	2,636.63
<b>Total, Revenue from Operations (Gross)</b>	<b>1,10,599.49</b>	<b>96,773.33</b>

Note : As per Ind AS 115, revenue is reported net of GST.

**Critical judgements in calculating amounts**

When a customer has a right to return the product within a given period, the company recognises a provision for returns INR 1,933.72 lakhs as at March 31, 2020 (March 31, 2019 - INR 2,023.27 lakhs). This is measured on the previous history of sales return. Revenue is adjusted for the expected value of the returns and cost of sales & Inventory are adjusted for the value of the corresponding goods to be returned.

**Additional disclosures as required by Ind AS 115**

**Disaggregate revenue information**

The table below presents disaggregated revenue information from contracts with customers for the year ended March 31, 2020. The company believes that this disaggregation reasonably depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

<i>Particulars</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
<b>Formulation :</b>		
Domestic	68,624.09	60,619.40
Export		
Regulated Market :	21,753.96	16,085.24
Emerging Market :	7,871.94	7,264.63
<b>Export, Total</b>	<b>29,625.90</b>	<b>23,349.87</b>
<b>Formulation, Total (a)</b>	<b>98,249.99</b>	<b>83,969.27</b>
<b>API (b)</b>	<b>8,600.61</b>	8,222.19
<b>CRO &amp; Analytical Services (c)</b>	<b>1,088.32</b>	1,945.24
<b>Gross Sales (Net of Returns), Total (a + b + c)</b>	<b>1,07,938.92</b>	<b>94,136.70</b>
Other Operating Revenue	2,660.57	2,636.63
<b>Income from Operation, Total</b>	<b>1,10,599.49</b>	<b>96,773.33</b>

**Performance obligations**

**a. Significant payment terms**

In case of Domestic Sales, payment terms range from 7 days to 90 days based on geography and customers. In case of Export Sales these are either DP at sight, Document against acceptance - 30 days to 120 days, Letters of Credit - 30 days to 120 days.

**b. Obligations for returns, refunds and similar obligations**

In case of domestic sales, sales return may take place anytime before / after the expiry of goods.



**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 30 : Other Income**

<i>Particulars</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
Interest Received	123.53	155.71
Sundry Balance w/back	7.77	110.29
Sundry Receipts	109.03	348.84
Dividend Received	0.02	0.32
Profit on Sale of Fixed Assets	2.63	0.31
<b>Total, Other income</b>	<b>242.98</b>	<b>615.47</b>

**Note 31a : Cost of Materials Consumed**

<i>Particulars</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
Cost of Material Consumed		
Opening Stock	10,246.57	9,941.06
Add : Purchases	27,952.15	24,314.40
Less : Closing Stock	(11,930.50)	(10,246.57)
	<b>26,268.22</b>	<b>24,008.89</b>

**Note 31b : Purchase of Stock in Trade**

<i>Particulars</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
Purchase of Stock in Trade	7,579.66	6,676.57
	<b>7,579.66</b>	<b>6,676.57</b>

**Note 31c : Changes in Inventories**

<i>Particulars</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
(Incr.) / Decr. in Stk. of FG, Stock in Trade & WIP :		
Inventories at the beginning of the year		
Op.Stock - Finished Goods	3,729.42	4,542.65
Op.Stock - Stock in Trade	1,113.60	1,346.09
Op.Stock - WIP	2,492.39	2,778.85
	<b>7,335.41</b>	<b>8,667.59</b>
Inventories at the end of the year		
Cl.Stock - Finished Goods	(4,491.70)	(3,729.42)
Cl.Stock - Stock in Trade	(1,011.80)	(1,113.60)
Cl.Stock - WIP	(2,636.94)	(2,492.39)
	<b>(8,140.44)</b>	<b>(7,335.41)</b>
<b>Total, Cost of material consumed</b>	<b>(805.03)</b>	<b>1,332.18</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 32 : Employee Benefits Expenses**

<i>Particulars</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
Salaries, Wages and Bonus (refer note no. 38)	21,630.02	19,495.30
Contribution to Provident and Other Funds	2,027.59	1,820.70
Staff Welfare Expenses	1,873.96	1,810.49
<b>Total, Employee benefit expenses</b>	<b>25,531.57</b>	<b>23,126.49</b>

**Note 33 : Research & Development Expenses**

<i>Particulars</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
R&D Employee Cost	2,287.05	2,250.45
Other R&D Expenses	2,683.16	2,901.10
<b>Total, Research &amp; Development Expenses</b>	<b>4,970.21</b>	<b>5,151.55</b>

**Note 34 : Depreciation and Amortisation Expenses**

<i>Particulars</i>	<i>Note No</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
Depreciation of Property, Plant and Equipment	3	4,732.92	4,140.65
Amortisation of Right-of-use assets	4	16.27	–
Amortisation of Intangible Assets	5	2,045.09	3,015.76
Impairment of Assets	5	286.84	–
<b>Total, Depreciation and amortisation expenses</b>		<b>7,081.12</b>	<b>7,156.41</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 35 : Other Expenses**

<i>Particulars</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
Consumable Stores	464.14	337.61
Job Work Charges	1,025.19	928.43
Power and Fuel	3,474.62	2,848.69
Rent, Rates, Taxes	513.21	450.51
Insurance	179.56	131.34
Repairs :		
Building	156.25	158.95
Plant and Machinery	1,156.29	1,073.82
Others	1,636.46	1,434.04
	2,949.00	2,666.81
Packing and Delivery Expenses	3,320.66	3,051.90
Analytical Expenses	2,051.96	1,602.07
Turnover and Additional Tax	–	5.07
Advertising and Sales Promotion Expenses	5,214.80	3,993.40
Commission and Incentives on sales	3,713.05	2,276.76
Travelling, Conveyance and Motor Car Expenses	5,603.77	5,646.15
Legal and Professional Fees	2,715.87	1,286.80
Director's Sitting Fees	17.40	21.00
Postage, Telephone and Telex Expenses	105.60	110.92
Printing and Stationery Expenses	362.73	378.67
Payments to Auditors (refer note no. 35(a))	14.45	12.99
Loss on sale of Assets	25.29	20.65
Provision for Doubtful Debts	17.66	550.70
Investments in subsidiaries / Associates Written off	–	29.02
Bad Debts written off		
Bad Debts written off	801.68	50.31
Less : Transfer from Provision for Doubtful Debts	(236.15)	–
	565.53	50.31
Corporate Social Responsibility (refer note no. 35(b))	92.91	43.42
Miscellaneous Expenses	2,293.26	2,363.95
<b>Total, Other expenses</b>	<b>34,720.66</b>	<b>28,807.17</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 35(a) : Details of payments to Auditors**

<i>Particulars</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
<b>Payment to Auditors</b>		
<b>As Auditor :</b>		
Audit Fees	7.25	6.00
Tax Audit Fees under GST	4.25	4.25
<b>In other capacities :</b>		
Certification fees	2.16	2.03
Re-imbursement of expenses	0.79	0.71
<b>Total, payment to Auditors</b>	<b>14.45</b>	<b>12.99</b>

**Note 35(b) : Corporate social responsibility expenditure**

<i>Particulars</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
<b>Contribution to :</b>		
Promoting Education	15.78	11.89
Preventive Healthcare	–	13.95
Promoting & Development of Traditional Arts	0.50	0.10
Contribution of Free Medicine	39.85	–
Donation for Covid-19	10.00	–
Employment enhancing vocational skills	26.78	17.48
<b>Total</b>	<b>92.91</b>	<b>43.42</b>
Amount required to be spent as per Section 135 of the Act	87.00	160.00
Amount spent during the year on		
(i) Construction/acquisition of an asset	–	–
(ii) On purposes other than (i) above	92.91	43.42

**Note 36 : Finance Cost**

<i>Particulars</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
Interest Expense	2,296.48	2,328.39
Other Financial charges	132.24	112.87
Exchange Gain / Loss (Net)	262.68	(55.19)
	<b>2,691.40</b>	<b>2,386.07</b>
Less : Amount capitalised (see note below)	(66.20)	(332.18)
<b>Total, Finance Cost expenses in Profit or Loss</b>	<b>2,625.20</b>	<b>2,053.89</b>

Note : Finance Cost incurred on various projects being qualifying asset is capitalised in accordance with IND AS 23.  
 Finance cost includes element of lease arrangement note no. 39

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 37 : Income Tax Expense**

<i>Particulars</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
<b>(a) Statement of Profit and Loss :</b>		
<b>Profit or Loss section :</b>		
<b>Current Income Tax :</b>		
Current Income Tax Charge	385.81	–
Tax in respect of earlier years	–	–
<b>Total, Current Income Tax</b>	<b>385.81</b>	<b>–</b>
<b>Deferred tax section :</b>		
Origination and reversal of timing difference	446.04	(719.47)
MAT Credit Adjustments	(385.81)	79.23
<b>Total, Deferred tax expense/(benefit)</b>	<b>60.23</b>	<b>(640.24)</b>
<b>Tax expense reported in the statement of Profit and Loss</b>	<b>446.04</b>	<b>(640.24)</b>
<b>Other Comprehensive income section :</b>		
Tax related to items recognised in OCI during the year :		
Net loss/(gain) on remeasurements of defined benefit plans	(98.70)	(28.21)
<b>Tax charged to OCI</b>	<b>(98.70)</b>	<b>(28.21)</b>

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

<i>Particulars</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
Profit / (Loss) from continuing operations before income tax expense	2,870.86	(924.35)
Profit from discontinuing operation before income tax expense		
	<b>2,870.86</b>	<b>(924.35)</b>
<b>Tax at the Indian tax rate of 34.944% (2018-2019 – 34.944%)</b>	<b>1,003.19</b>	<b>(323.00)</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Deduction on R&D Expenditure u/s 35(2ab)	(693.06)	(833.59)
Other items	39.45	(9.22)
Adjustments of MAT of Previous period	–	79.22
Tax losses for which no deferred income tax was recognised	96.46	446.35
<b>Income tax expense</b>	<b>446.04</b>	<b>(640.24)</b>
<b>Tax Expense as per Statement of Profit and Loss</b>	<b>446.04</b>	<b>(640.24)</b>

## Notes (Standalone) on financial statements for the year ended March 31, 2020 (All amounts in INR lakhs, unless otherwise stated)

### Note 38 : Employee benefit obligations

As required by IND AS 19 'Employee benefits' the disclosures are as under :

#### (i) Defined benefit plans

##### a. Leave obligations

The leave obligations cover the company's liability for sick and earned leave.

The amount of the provision of INR 308.50 lakhs (March 31, 2019 – INR 189.98 lakhs) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months and therefore provision is made on the basis of actuarial valuation obtained.

##### b. Post-employment obligations

###### Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contributions to recognized funds in India. The company maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

#### (ii) Defined contribution plans

##### a. Provident Fund

The company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the period towards defined contribution plan is INR 1,403.90 lakhs (March 31, 2019 – INR 1,196.21 lakhs).

##### b. Superannuation

The company contributed INR 74.92 lakhs (March 31, 2019 - INR 69.31 lakhs) to the superannuation plan. The same has been recognized in the Statement of profit and loss account under the head employee benefit expenses.

#### (iii) Balance sheet amounts – Gratuity

The amounts recognized in the balance sheet and the movements in the net defined benefit obligation over the year are as follows :

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 38 : Employee benefit obligations : Contd.**

<i>Particulars</i>	<i>Present value of obligation</i>	<i>Fair value of plan assets</i>	<i>Net amount</i>
<b>April 1, 2018</b>	<b>1,541.23</b>	<b>(269.94)</b>	<b>1,271.29</b>
Current service cost	233.54	–	233.54
Past Service Cost	–	–	–
Interest expense/(income)	121.29	(21.24)	100.05
<b>Total amount recognized in profit or loss</b>	<b>354.83</b>	<b>(21.24)</b>	<b>333.59</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	–	14.48	14.48
(Gain)/loss - Due to change in demographic assumptions	–	–	–
(Gain)/loss - Due to change in financial assumptions	15.77	–	15.77
(Gain)/loss - Due to experience	50.49	–	50.49
<b>Total amount recognized in other comprehensive income</b>	<b>66.26</b>	<b>14.48</b>	<b>80.74</b>
Employer contributions	–	(20.00)	(20.00)
Benefit payments	(176.04)	176.04	–
<b>March 31, 2019</b>	<b>1,786.28</b>	<b>(120.66)</b>	<b>1,665.62</b>

<i>Particulars</i>	<i>Present value of obligation</i>	<i>Fair value of plan assets</i>	<i>Net amount</i>
<b>April 1, 2019</b>	<b>1,786.28</b>	<b>(120.66)</b>	<b>1,665.62</b>
Current service cost	269.14	–	269.14
Past Service Cost	–	–	–
Interest expense/(income)	138.97	(9.39)	129.58
<b>Total amount recognized in profit or loss</b>	<b>408.11</b>	<b>(9.39)</b>	<b>398.72</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	–	17.97	17.97
(Gain)/loss - Due to change in demographic assumptions	(6.60)	–	(6.60)
(Gain)/loss - Due to change in financial assumptions	170.46	–	170.46
(Gain)/loss - Due to experience	100.63	–	100.63
<b>Total amount recognized in other comprehensive income</b>	<b>264.49</b>	<b>17.97</b>	<b>282.46</b>
Employer contributions	–	(129.59)	(129.59)
Benefit payments	(223.14)	223.14	–
<b>March 31, 2020</b>	<b>2,235.74</b>	<b>(18.53)</b>	<b>2,217.21</b>

The net liability disclosed above relates to funded and unfunded plans are as follows:

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Present value of funded obligations	2,235.74	1,786.28
Fair value of plan assets	(18.53)	(120.66)
<b>Deficit of funded plan</b>	<b>2,217.21</b>	<b>1,665.62</b>
Unfunded plans	–	–
<b>Deficit of gratuity plan</b>	<b>2,217.21</b>	<b>1,665.62</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 38 : Employee benefit obligations : Contd.**

**(iv) Post-Employment benefits (gratuity)**

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Discount rate	6.82%	7.78%
Attrition rate	For service 4 years and below 20.00% p.a. For service 5 years and above 4.00% p.a.	2.00%
Salary growth rate	5.00%	5.00%

**(v) Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	<i>Change in assumption</i>		<i>Increase in assumption</i>		<i>Decrease in assumption</i>	
	<i>March 31, 2020</i>	<i>March 31, 2019</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Discount rate	1%	1%	-	-	177.05	162.89
Discount rate	-1%	-1%	205.77	192.07	-	-
Salary growth rate	1%	1%	207.49	195.58	-	-
Salary growth rate	-1%	-1%	-	-	181.50	168.33
Attrition rate	1%	1%	23.66	42.03	-	-
Attrition rate	-1%	-1%	-	-	27.48	48.75

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**(vi) The major categories of plans assets are as follows:**

	<i>March 31, 2020</i>	<i>March 31, 2019</i>
<b>Gratuity :</b>		
<b>Unquoted</b>		
Insurance fund	18.53	120.66
<b>Total</b>	<b>18.53</b>	<b>120.66</b>



**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 38 : Employee benefit obligations : Contd.**

(vii) **Maturity profile of projected benefit obligation (from fund) :**

	<i>March 31, 2020</i>	<i>March 31, 2019</i>
1st following year	203.57	146.78
2nd following year	149.53	62.64
3rd following year	158.25	144.31
4th following year	170.95	106.81
5th following year	163.17	121.90
Sum of years 6 to 10	905.29	689.04
Sum of years 11 and above	2,902.83	3,582.63

**Note 39 : Leases**

(a) Following are the changes in the Carrying value of Right to Use of Assets for the year ended March 31, 2020

<i>Particulars</i>	<i>Category of ROU Assets</i>				
	<i>Plant &amp; Machinery</i>	<i>Laboratory Equipments</i>	<i>Plant - Utilities</i>	<i>Software</i>	<i>Total</i>
<b>Balance as at March 31, 2019</b>	-	-	-	-	-
Additions during the year	242.66	141.68	157.62	0.82	542.78
Depreciation charge during the year	(7.47)	(6.36)	(2.29)	(0.15)	(16.27)
<b>Balance as at March 31, 2020</b>	235.19	135.32	155.33	0.67	526.51

The aggregate depreciation expenses on Right to Use of Assets is included under Depreciation, Amortisation and Impairment Expenses in the Statement of Profit and Loss

(b) The following is the break-up of Current and Non-Current Lease Liabilities as at March 31, 2020

<i>Particulars</i>	<i>March 31, 2020</i>
Current Lease Liabilities (refer note no. 26)	51.75
Non Current Lease Liabilities (refer note no. 22)	549.10
<b>Total, Lease Liabilities</b>	600.85

(c) Following is the movement in Lease Liabilities during the year ended March 31, 2020

<i>Particulars</i>	<i>March 31, 2020</i>
Balance at the beginning of the year	-
Additions during the year	608.36
Finance cost accrued during the year	12.28
Payment of Lease Liabilities	(19.79)
<b>Balance at the end of the year</b>	600.85

(d) The following is a summary of future minimum lease rental commitments towards Finance Leases

<i>Particulars</i>	<i>March 31, 2020</i>	
	<i>Minimum lease commitments</i>	<i>Present value of minimum lease commitments</i>
Due within one year	107.11	51.75
Due in a period between one year and five years	408.28	232.34
Due after five years	407.06	316.76
<b>Total minimum lease commitments</b>	922.45	600.85
Less : Interest	(321.60)	
<b>Present value of minimum lease commitments</b>	600.85	

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 40 : Fair value measurement**

<i>Financial instruments by category</i>	<i>March 31, 2020</i>		<i>March 31, 2019</i>	
	<i>FVPL</i>	<i>Amortised Cost</i>	<i>FVPL</i>	<i>Amortised Cost</i>
<b>Financial Assets</b>				
Investments				
Equity instruments	2.10		2.10	
Trade receivables		20,917.70		19,446.53
Non Current Other Financial assets		587.65		506.93
Cash and cash equivalents		2,348.08		2,071.90
Bank balances other than cash and cash equivalents		1,416.88		1,546.33
Current Other Financial Assets		371.78		1,015.28
<b>Total Financial Assets</b>	<b>2.10</b>	<b>25,642.09</b>	<b>2.10</b>	<b>24,586.97</b>
<b>Financial Liabilities</b>				
Bank Borrowings		26,280.52		29,749.47
Non Current Other Financial Liabilities		1,282.24		731.95
Current Other Financial Liabilities		6,369.40		5,383.32
Trade Payables		16,629.29		17,070.41
<b>Total Financial Liabilities</b>	<b>-</b>	<b>50,561.45</b>	<b>-</b>	<b>52,935.15</b>

**Fair value hierarchy**

**Level 1 :** Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

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

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

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

<i>Financial assets and liabilities measured at fair value</i>	<i>March 31, 2020</i>			<i>March 31, 2019</i>		
	<i>Level</i>			<i>Level</i>		
	<i>I</i>	<i>II</i>	<i>III</i>	<i>I</i>	<i>II</i>	<i>III</i>
<b>Financial Assets</b>						
Investments						
Equity instruments		2.10			2.10	
<b>Total Financial Assets</b>	<b>-</b>	<b>2.10</b>	<b>-</b>	<b>-</b>	<b>2.10</b>	<b>-</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 41 : Capital management**

**(a) Risk management**

The company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The company monitors capital on the basis of the following gearing ratio : Net debt (total borrowings net of cash and cash equivalents) divided by Total Equity.

The company's strategy is to maintain a gearing ratio within 50%. The gearing ratios were as follows:

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Net Debt	<b>23,932.45</b>	27,677.57
Equity	<b>68,016.11</b>	66,108.32
<b>Net debt to equity ratio</b>	<b>35.2%</b>	<b>41.9%</b>

**(b) Dividends**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
<b>(i) Equity shares</b>		
Final dividend for the year ended March 31, 2019 of INR 0.30 (March 31, 2018 of INR 1.00) per fully paid share	<b>276.45</b>	921.50
<b>(ii) Dividends not recognised at the end of the reporting period</b>		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of INR 0.30 per fully paid equity share (March 31, 2019 – INR 0.30 ). This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	<b>276.45</b>	276.45

## Notes (Standalone)

### on financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

#### Note 42 : Segment Information

##### (a) Description of segments and principal activities

The company has only one reporting segment of its business i.e. Pharmaceutical, wherein the group's strategic steering committee, consisting of the chief executive officer, the chief financial officer and the manager for corporate planning, examines the group's performance both from a product and geographic perspective.

The steering committee primarily uses a measure of adjusted earnings before other income, finance cost, tax, depreciation and amortisation (EBITDA, see below) to assess the performance of the operating segments. However, the steering committee also receives information about the segments' revenue and assets on a monthly basis.

##### (b) Adjusted EBITDA

Adjusted EBITDA excludes discontinued operations and the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as restructuring costs, impairments when the impairment is the result of an isolated, non-recurring event. It also excludes the effects of share-based payments and gains or losses on financial instruments.

Interest income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the company.

Particulars	March 31, 2020	March 31, 2019
<b>Total adjusted EBITDA</b>	<b>12,334.20</b>	<b>7,670.48</b>

Adjusted EBITDA reconciles to profit before income tax as follows:

Particulars	Note No	March 31, 2020	March 31, 2019
<b>Total adjusted EBITDA</b>		<b>12,334.20</b>	<b>7,670.48</b>
Finance costs	36	2,625.20	2,053.89
Other Income	30	(242.98)	(615.47)
Depreciation and Amortisation Expense	34	7,081.12	7,156.41
<b>Profit before income tax from continuing operations</b>		<b>2,870.86</b>	<b>(924.35)</b>

##### (c) Segment revenue

The segment revenue is measured in the same way as in the statement of profit or loss.

##### Geographical :

Particulars	March 31, 2020			March 31, 2019		
	India	Outside India	Total	India	Outside India	Total
Revenue from External Customers	72,507.42	35,431.50	1,07,938.92	65,555.18	28,581.52	94,136.70
Non Current Assets (*)	65,605.08	–	65,605.08	66,830.29	–	66,830.29

\* Excluding financial assets, deferred & current tax assets

##### Product :

Particulars	March 31, 2020	March 31, 2019
Revenue from Product	1,01,183.93	89,271.82
Revenue from Services	6,754.99	4,864.88
<b>Total, Revenue</b>	<b>1,07,938.92</b>	<b>94,136.70</b>

## Notes (Standalone)

### on financial statements for the year ended March 31, 2020

(All amounts in INR lakhs, unless otherwise stated)

#### Note 43 : Events occurring after the reporting period

##### Other events

Refer to note 41 for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting.

#### Note 44 : Earnings Per Share

Particulars	Apr'19-Mar'20	Apr'18-Mar'19
Basic & Diluted Earnings Per Share		
<u>Total Operations</u>		
Net Profit / (Loss) for the year	2,424.82	(284.11)
Weighted average numbers of equity shares	9,21,50,355	9,21,50,355
<b>Basic &amp; Diluted Earnings Per Share (₹ 2/-)</b>	<b>2.63</b>	<b>(0.31)</b>

#### Note 45 : FINANCIAL RISK MANAGEMENT

##### Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Audit Committee of the Board of Directors.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a Finance department, which evaluates and exercises independent control over the entire process of market risk management. The Finance department recommend the risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

##### Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, finance department performs a comprehensive corporate interest rate risk management policy by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 45 : FINANCIAL RISK MANAGEMENT : Contd.**

**Exposure to interest rate risk**

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Short Term Borrowings	10,597.86	11,339.36
Long Term Borrowings	15,682.66	18,410.11
Total Borrowings	26,280.52	29,749.47
% of Borrowings out of above bearing variable rate of Interest	40.33%	38.12%

**Interest Rate Sensitivity**

**A change of 50 bps in interest rates would have following impact on Profit before Tax**

(₹ in lakhs)

	2019-20	2018-19
50 BPS increase would decrease the Profit before Tax by	52.99	56.70
50 BPS decrease would (increase) the Profit before Tax by	(52.99)	(56.70)

**Market Risk- Foreign currency risk.**

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD, EURO, GBP and AUD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The company risk management policy is to hedge forecasted foreign currency sales for the subsequent 24 to 60 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge forecasted sales.

The company also imports certain materials and Capital Goods which are denominated in USD, EURO, GBP, CHF, JPY, CNY which exposes the company to foreign currency risk to minimise the risk of imports, the company hedges imports upto 12 to 60 months in advance by entering into foreign exchange forward contracts.

The spot component of forward contracts is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 45 : FINANCIAL RISK MANAGEMENT : Contd.**

**Derivative instruments and unhedged foreign currency exposure**

**(a) Derivative outstanding as at the reporting date**

(Foreign currency In lakhs)

	As at March 31, 2020		As at March 31, 2019	
	Currency	Amount	Currency	Amount
Forward Contract to Sell USD	USD	150.08	USD	84.09
Forward Contract to Buy USD	USD	–	USD	38.00
Forward Contract to Sell EURO	EURO	61.25	EURO	51.09
Forward Contract to Buy EURO	EURO	11.25	EURO	–
Forward Contract to Sell GBP	GBP	142.75	GBP	83.40
Forward Contract to BUY GBP	GBP	22.86	GBP	–
Swaps				
FCNR ( B)	USD	28.03	USD	46.71
ECB	USD	–	USD	–
ECB	GBP	0.02	GBP	38.13
ECB	Euro	28.13	Euro	30.00

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

**(b) Particulars of foreign currency exposures as at the reporting date**

As at March 31, 2020

(Foreign currency in lakhs)

Particulars	USD	EURO	GBP	AUD
Trade Receivables	101.27	61.50	36.15	0.45
Trade Payables	23.86	14.53	–	–
Loans Taken - Short Term & long Term	41.43	28.13	22.88	–
Cash & Bank Balances	3.11	0.57	0.13	–

As at March 31, 2019

(Foreign currency in lakhs)

Particulars	USD	EURO	GBP	AUD
Trade Receivables	100.51	44.25	43.60	0.97
Trade Payables	18.83	30.74	0.01	–
Loans Taken - Short Term & long Term	84.71	30.00	38.13	–
Cash & Bank Balances	0.35	0.90	1.00	–

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 45 : FINANCIAL RISK MANAGEMENT : Contd.**

**(c) Foreign Currency Risk Sensitivity**

A change of 5% in foreign currency would have following Impact on Profit before Tax

(₹ in lakhs)

	2019-20		2018-19	
	5 % increase	5 % Decrease	5 % increase	5 % Decrease
USD	67.22	(67.22)	(3.18)	3.18
EURO	49.33	(49.33)	(17.31)	17.31
GBP	37.96	(37.96)	5.74	(5.74)
AUD	0.47	(0.47)	1.02	(1.02)
CHF	–	–	(0.03)	0.03
Increase / (Decrease) in profit or loss	154.98	(154.98)	(13.76)	13.76

**Credit risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- Significant increase in credit risk on other financial instruments of the same counterparty,
- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of Profit and Loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.



**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 45 : FINANCIAL RISK MANAGEMENT : Contd.**

**Ageing of Account receivables**

(₹ in lakhs)

	As at March 31, '20	As at March 31, '19
Not due	10,653.30	10,244.34
0-3 Months	3,623.52	3,344.43
3 - 6 Months	865.55	574.89
6 Months and above	6,503.07	6,229.10
<b>Total</b>	<b>21,645.44</b>	<b>20,392.76</b>

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

**Movement in provisions of doubtful debts**

(₹ in lakhs)

	As at March 31, '20	As at March 31, '19
Opening Provision	946.23	395.53
Add :- Additional provision made	79.86	550.70
Less : - Provision written off	236.15	—
Less : - Provision reversed	62.20	—
Closing Provisions	727.74	946.23

**Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

**(i) Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in lakhs)

	As at March 31, '20	As at March 31, '19
Floating Rate		
Expiring within one year (Cash Credit and other facilities)	16,896.74	11,644.03
Expiring beyond one year (bank loans)	—	—

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR. The amount is arrived at based on the Sanctioned Limits by the Banks and the same is subject to change based on the Maximum Permissible Bank Finance (MPBF) and Drawing Power.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

Note 45 : FINANCIAL RISK MANAGEMENT : *Contd.*

(ii) Maturity patterns of Borrowings

(₹ in lakhs)

	As at March 31, 2020				As at March 31, 2019			
	0-1 Years	1-5 Years	> 5 years	Total	0-1 Years	1-5 Years	> 5 years	Total
<b>Long term borrowings</b> (Including current maturity of long term debt)	5,989.66	9,654.67	38.33	15,682.66	5,548.45	12,194.82	666.84	18,410.11
<b>Short term borrowings</b>	10,597.86	–	–	10,597.86	11,339.36	–	–	11,339.36
<b>Total</b>	16,587.52	9,654.67	38.33	26,280.52	16,887.81	12,194.82	666.84	29,749.47

(iii) Maturity Patterns of other Financial Liabilities

(₹ in lakhs)

As at March 31, 2020	0-3 Months	3-6 Months	Beyond 6 Months	Total
Trade Payable	15,169.02	–	–	15,169.02
Trade Payable related to Capital goods	249.76	–	1,210.51	1,460.27
Other Financial liability (Current and Non Current)	7,845.30	1,919.85	3,876.16	13,641.31
<b>Total</b>	23,264.08	1,919.85	5,086.67	30,270.60

(₹ in lakhs)

As at March 31, 2019	0-3 Months	3-6 Months	Beyond 6 Months	Total
Trade Payable	14,509.07	–	–	14,509.07
Payable related to Capital goods	220.41	–	2,340.93	2,561.34
Other Financial liability (Current and Non Current)	6,738.82	1,236.79	3,684.06	11,659.67
<b>Total</b>	21,468.30	1,236.79	6,024.99	28,730.08

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 46 :**

Contingent Liabilities not provided for:

(₹ in lakhs)

S.No.	Particulars	As at March 31, 2020	As at March 31, 2019
A)	Matters under dispute		
i)	Sales Tax (₹ 448.56 lakhs has been paid under protest Previous year ₹ 406.51 lakhs) **	1,013.29	850.56
ii)	Excise / Service Tax ***	746.97	499.76
iii)	Income Tax *	5.98	9.12
B)	Bank Guarantees	216.81	224.40
C)	Letters of Credit	2,234.33	505.24
D)	Estimated amount of contracts remaining to be executed on Capital Account, net of advances of ₹ 235.30 lakhs (Previous year ₹ 120.26 lakhs )	955.34	422.99

**Legal Case –**

The Company had availed a factoring facility from a Bank who refused to pay the amount of USD 25,004 to the Company on failure of a Customer to pay for the same. The case is pending in the City Civil Court.

The company has filed a case against a stockiest under section 138 under Negotiable Instruments Act 1881 for cheque bounce of ₹2.23 Lakhs.

**\* Income Tax demand comprises of**

- a) ₹ 5.98 lakhs (Previous year - ₹ 9.12) appearing as TDS defaults on account of short Deduction / Short Payment & Interest thereon etc.

**\*\* Sales Tax demand comprises of**

- a) ₹ 189.81 Lakhs (Previous year – ₹ 189.81 Lakhs) demand pertaining to classification dispute under Andhra Pradesh VAT Act for the period April 2005 to March 2009. The Company has filed an appeal before High Court which is yet to be heard.
- b) ₹ 619.19 Lakhs (Previous year – ₹ 619.19 Lakhs) demand pertaining to classification dispute under Andhra Pradesh VAT Act for the period April 2009 to December 2013. The Company has filed an appeal before Telangana VAT Appellate Tribunal Hyderabad which is yet to be heard.
- c) ₹ 96.86 Lakhs (Previous year – ₹ Nil Lakhs) is penalty imposed on demand of April 09 to October 12 under Andhra Pradesh VAT Act for classification dispute. The Company has filed an appeal before Appellate Deputy Commissioner (CT), Hyderabad Rural Division which is yet to be heard.
- d) ₹ 59.88 Lakhs (Previous year – ₹ Nil Lakhs) demand pertaining to classification dispute under Telangana VAT Act for the period Jan 14 to June 2017. The Company has filed an appeal before Appellate Deputy Commissioner (CT), Hyderabad Rural Division which is yet to be heard.
- e) ₹ 5.98 Lakhs (Previous year – ₹ Nil Lakhs) is penalty imposed on demand pertaining to classification dispute under Telangana VAT Act for the period Jan 14 to June 2017. The Company has filed an appeal before Deputy Commissioner (CT), Saroornagar Division, Hyd which is yet to be heard.
- f) ₹ 21.35 Lakhs (Previous year – ₹ 21.35 Lakhs) in respect of order from Asst. Commissioner (CT) Audit, Vijaywada for classification dispute. The Company has preferred an appeal before Appellate Deputy Commissioner (CT), Vijaywada. which is yet to be heard.
- g) ₹ 20.21 Lakhs (Previous year – ₹ 20.21 Lakhs) as the amount of demand raised by sales tax officer for Financial Year 2007-08 and 2009-10 on account of input credit of entry tax. Company has filed appeal before Asst. Commissioner of Commercial Taxes, who has set aside the previous order and directed Assessing Officer for Re-assessment.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 46 : Contd.**

**\*\*\*Excise tax demand comprises of**

- a) Company appeal is pending before CESTAT for wrong availment of notification on exempted goods ₹ 0.66 Lakhs (Previous year – ₹ 0.66 Lakhs).
- b) Appeal pending before Divisional Dy. Commissioner, Boisar for classification dispute ₹ 5.04 Lakhs (Previous year – ₹ 5.04 Lakhs).
- c) CENVAT credit on input service ₹ 91.97 Lakhs (Previous year – ₹ 91.97 Lakhs), appeal pending before CESTAT, Mumbai.
- d) Company appeal is pending before Divisional Dy. Commissioner, Mumbai for wrong availment of CENVAT credit ₹ 0.79 Lakhs (Previous year – ₹ 0.79 Lakhs).
- e) Central excise department is in appeal before Supreme Court for Differential duty on intermixture of vitamins / minerals amounting to ₹ 2.91 Lakhs (Previous year – ₹ 2.91 Lakhs).
- f) CENVAT credit on input service ₹ 494.42 Lakhs (Previous year – ₹ 494.42 Lakhs), appeal pending before CESTAT, Mumbai.
- g) Company appeal is pending before CESTAT for CENVAT credit availment on physician sample amounting to ₹ 0.20 Lakhs (Previous year – ₹ 0.20 Lakhs).
- h) Central excise department is in appeal at Supreme Court for valuation of physician sample ₹ 11.20 Lakhs (Previous year – ₹ 11.20 Lakhs).
- i) ₹ 139.78 Lakhs (Previous year – ₹ 139.78 Lakhs) pending before CESTAT, Mumbai for Exempted product- Allopurinol Value Based Duty Reversal.

**Note 47 :**

**Assets Pledged As Security**

**The carrying amount of assets pledged as security for current and non-current borrowings are:**

<i>Particulars</i>	<i>As at March 31, 2020</i>	<i>As at March 31, 2019</i>
<b>Current Assets</b>		
<b>Financial Assets</b>		
Floating Charge		
Receivables	20,917.70	19,446.53
Margin Money against L/c	1,389.22	1,515.63
<b>Non Financial Assets</b>		
Floating Charge		
Inventories	20,823.99	18,337.37
<b>Total Current Assets Pledged as security</b>	<b>43,130.91</b>	<b>39,299.53</b>
<b>Non Current Assets</b>		
First Charge		
Land & Building	8,651.51	4,931.87
Furniture, fittings and equipment	682.19	557.93
Plant and machinery	26,557.99	19,911.66
Others	3,561.10	2,545.62
<b>Total non-current assets Pledged as security</b>	<b>39,452.79</b>	<b>27,947.08</b>
<b>Total assets pledged as security</b>	<b>82,583.70</b>	<b>67,246.61</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 48 :**

Related Party Disclosure as required by Ind AS 24

**I. Related Parties**

(A)	Enterprises that control or are controlled by the reporting company:	
	Holding Companies	NIL
	Subsidiary Companies	Xtend Industrial Designers & Engineers Pvt Ltd. Indoco Remedies Czech sro.
	Fellow Subsidiaries	NIL
(B)	Associates and Joint Ventures of reporting company:	
	Associates	NIL
	Joint Ventures	NIL
(C)	(i) Individuals owning and having control of the reporting company Mr. Suresh G Kare, Mrs. Aruna S Kare, Ms. Aditi Panandikar, Mrs. Madhura Ramani	
	(ii) Their relatives: Dr. Milind Panandikar, Mr. Ramnath Kare, Mrs. Sudha Pai, Mrs. Pratima Vaidya, Mrs. Amita Rajadhyaksha, Mrs. Meera Karnik, Ms. Mahika Panandikar, Mr. Rohan Ramani, Mr. Megh Panandikar	
(D)	(i) Key Management Personnel : Mr. Suresh G Kare, Ms. Aditi Panandikar, Mr. Sundeep V Bambolkar	
	(ii) Their Relatives : Mrs. Aruna S Kare, Mrs. Madhura A. Ramani, Mr. Ramnath Kare, Mrs. Suman Naik, Mrs. Sudha Pai, Dr. Milind Panandikar, Mrs. Neeta Bambolkar, Mr. Vasant Bambolcar, Ms. Manali Bambolkar, Mr. Paresh Bambolkar, Ms. Mahika Panandikar, Mr. Rohan Ramani, Mr. Megh Panandikar	
(E)	Enterprises controlled by key management personnel : SPA Holdings Pvt. Ltd., Shanteri Investments Pvt. Ltd., Indoco Capital Markets Ltd., A K Services, Suresh Kare Foundation, Warren Generics s.r.o,	

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

Note 48 : *Contd.*

**II. Transactions in respect of which disclosures to be made**

(₹ in lakhs)

<i>Particulars of transaction</i>		<i>Enterprises that control or are controlled by reporting company</i>	<i>Associates and Joint Ventures of reporting company</i>	<i>Individuals owning and having control over the reporting company and their relatives</i>	<i>Key Management personnel and their relatives</i>	<i>Enterprises controlled by key management personnel</i>
		(A)	(B)	(C)	(D)	(E)
Purchases or sales of goods (finished or unfinished)	C. Y.	-	-	-	-	-
	P. Y.	-	-	-	-	-
Purchases or sales of fixed assets	C. Y.	-	-	-	-	-
	P. Y.	-	-	-	-	-
Rendering or receiving of services	C. Y.	206.26	-	-	-	116.02
	P. Y.	194.60	-	-	-	100.47
Agency arrangements	C. Y.	-	-	-	-	-
	P. Y.	-	-	-	-	-
Remuneration paid	C. Y.	-	-	-	607.62	-
	P. Y.	-	-	-	510.71	-
Transfer of research and development		-	-	-	-	-
License agreements	C. Y.	-	-	-	3.00	-
	P. Y.	-	-	-	3.00	3.54
Finance (including loans and equity contributions in cash or in kind)	C. Y.	-	-	-	-	0.70
	P. Y.	12.41	-	-	-	0.70
Guarantees and collaterals	C. Y.	-	-	-	-	-
	P. Y.	-	-	-	-	-
Management contracts including for deputation of employees		-	-	-	-	-
Receivable	C. Y.	-	-	-	-	-
	P. Y.	-	-	-	-	-
Payable	C. Y.	147.88	-	-	-	8.01
	P. Y.	73.62	-	-	-	-

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 48 : Contd.**

Sr. No.	Particulars of Remuneration	Name of Executive Chairman / MD / JT. MD			Total Amount
		Mr. Suresh G Kare	Ms. Aditi Panandikar	Mr. Sundeep V Bambolkar	
1	Salary as per Provisions contained in Section 17 (1) of the Income tax Act ,1961	207.00	161.28	147.07	515.35
	Value of Perquisites under Section 17 (2) Income tax Act,1961	0.39	2.79*	2.79*	5.97*
	Profit in Lieu of Salary under Section 17 (3) Income tax Act,1961	-	-	-	-
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission / Incentive	-	-	-	-
5	Others, Please Specify – PF , SA	16.56	36.76	32.98	86.30
	Total (1+5)**	223.95	200.83	182.84	607.62
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)**				

\* Consists of Company contribution to Super Annuation Fund which is not considered while calculating the ceiling of Remuneration specified above under Section 198 of the Companies Act, 2013.

**III. Transactions with related parties in ordinary course/ not in normal course/ not on an arm's length basis**

Particulars of transaction		Enterprises that control or are controlled by reporting company	Associates and Joint Ventures of reporting company	Individuals owning and having control over the reporting company and their relatives	Key Management personnel and their relatives	Enterprises controlled by key management personnel
		(A)	(B)	(C)	(D)	(E)
(i) Transactions in the ordinary course	C.Y.	206.26	-	-	610.62	116.72
	P.Y	207.01	-	-	513.71	104.71
(ii) Transactions not in the normal course		-	-	-	-	-
(iii) Transactions not on an arm's length basis		-	-	-	-	-
(iv) Justification for (iii)		-	-	-	-	-

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 49 :**

**Expenditure on R&D**

(₹ In lakhs)

	2016-17	2017-18	2018-19	2019-20
Building	–	–	8.42	–
Equipment & other capital expenditure	1,098.44	290.52	146.61	348.22
<b>Total Capital Expenditure</b>	<b>1,098.44</b>	<b>290.52</b>	<b>155.03</b>	<b>348.22</b>
Revenue Expenditure	5,171.04	5,348.97	5,151.55	4,970.21
<b>Total R &amp; D Expenditure</b>	<b>6,269.48</b>	<b>5,639.49</b>	<b>5,306.58</b>	<b>5,318.43</b>

Note: As per requirement of Department of Scientific and Industrial Research expenses for period 2016-17 and 2017-18 are also covered

**Note 50 :**

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows:

(₹ In lakhs)

S.No.	Particulars	2019-20	2018-19
A	Principal Amount & Interest due on the above	1.19	6.66
B	Interest paid during the year beyond the appointed day	–	–
C	Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act	–	–
D	Amount of interest accrued and remaining unpaid at the end of the year.	–	–
E	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small Enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the ACT.	–	–

The above information regarding Micro Enterprises and small Enterprises has been determined on the basis of information available with the Company. No interest has been accrued on delayed payments, if any.

**Note 51 :**

Previous year's figures have been regrouped and reclassified wherever necessary.

As per our Report of even date attached  
 For **Gokhale & Sathe**  
 Chartered Accountants  
 Firm Registration no.: 103264W

**Tejas Parikh**  
 Partner  
 M. No. 123215

**Aditi Panandikar**  
 Managing Director  
 DIN : 00179113

**Mandar Borkar**  
 CFO

**Sundeep V Bambolkar**  
 Jt. Managing Director  
 DIN : 00176613

**Jayshankar Menon**  
 Company Secretary

Mumbai : June 24, 2020



## Financial Highlights (Standalone)

	<i>Year ended March 31, 2020</i>	<i>Year ended March 31, 2019</i>
<b>OPERATIONAL REVIEW</b>		
1) Revenue from Operations (Net of Returns)	<b>110,600</b>	96,774
2) EBIDTA	<b>12,334</b>	7,670
3) Depreciation, Amortisation and Impairment Expenses	<b>7,081</b>	7,156
4) Finance Cost	<b>2,625</b>	2,054
5) Profit / (Loss) before Tax	<b>2,871</b>	(924)
6) Profit / (Loss) after Tax	<b>2,425</b>	(284)
7) Other comprehensive Income	<b>(184)</b>	(53)
8) Total Comprehensive income for the year	<b>2,241</b>	(337)
<b>FINANCIAL STRUCTURE</b>		
	<i>March 31, 2020</i>	<i>March 31, 2019</i>
<b>ASSETS</b>		
<b>Non Current Assets</b>		
1) Net Fixed Assets	<b>64,032</b>	65,295
2) Financial Assets	<b>933</b>	878
3) Deferred Tax Assets (net)	<b>3,593</b>	3,554
4) Current Tax Assets	<b>924</b>	918
5) Other Non Current Assets	<b>1,573</b>	1,535
<b>Current Assets</b>		
6) Inventories	<b>20,824</b>	18,337
7) Financial Assets	<b>25,092</b>	24,121
8) Other Current Assets	<b>10,260</b>	11,192
<b>Total Assets</b>	<b>127,231</b>	<b>125,830</b>
<b>LIABILITIES</b>		
9) Equity	<b>68,016</b>	66,108
<b>Non Current liabilities</b>		
10) Financial liabilities	<b>10,975</b>	13,598
11) Long Term Provisions	<b>2,323</b>	1,591
<b>Current liabilities</b>		
12) Financial liabilities	<b>39,586</b>	39,338
13) Short Term Provisions	<b>5,155</b>	4,421
14) Other Current Liabilities	<b>1,176</b>	774
<b>Total Liabilities</b>	<b>127,231</b>	<b>125,830</b>
<b>MARGINS &amp; RATIOS</b>		
	<i>March 31, 2020</i>	<i>March 31, 2019</i>
1) EBIDTA Margins on Gross Sales (net of returns) (%)	<b>11.43</b>	8.15
2) PAT Margins on Gross Sales (net of returns) (%)	<b>2.25</b>	(0.30)
3) Debt-to-Equity (%)	<b>35.20</b>	41.90
4) Interest Cost Cover (times)	<b>2.09</b>	0.86
5) Return on Net Worth (%)	<b>3.60</b>	(0.40)
6) Return on Capital Employed (%)	<b>3.00</b>	(0.30)

## Financial Highlights (Standalone)

### Operational Results

Particulars	(₹ lakhs)				
	Year ended March 31, 2020 IND-AS	Year ended March 31, 2019 IND-AS	Year ended March 31, 2018 IND-AS	Year ended March 31, 2017 IND-AS	Year ended March 31, 2016 IND-AS
1) Revenue from Operations (Net of Returns) / Other Income	110,843	97,389	104,637	109,820	100,644
2) Material Cost	33,043	32,018	34,939	38,161	34,797
3) Employee Benefits Expense	25,532	23,126	22,034	21,605	18,141
4) Other Expenses	34,721	28,807	28,350	28,807	26,181
5) Research & Development Expenses	4,970	5,152	5,349	5,171	4,318
6) Finance Cost	2,625	2,054	2,351	616	1,215
7) Depreciation, Amortisation and Impairment Expenses	7,081	7,156	6,771	6,327	6,063
8) Profit / (Loss) Before Tax	2,871	(924)	4,843	9,133	9,929
9) Provision For Taxation	386	-	1,107	1,962	2,203
10) Deferred Tax (Net of MAT)	60	(640)	(384)	(574)	(503)
11) Profit / (Loss) After Tax	2,425	(284)	4,120	7,745	8,229
12) Other Comprehensive Income	(184)	(53)	23	13	(13)
13) Total Comprehensive Income	2,241	(337)	4,143	7,758	8,216
14) Retained Earnings	1,908	(1,448)	2,369	7,536	4,889
15) Earnings Per Share (₹ 2/-) (After exceptional items)	2.63	(0.31)	4.47	8.40	8.93
16) Book Value (₹ 2/-)	73.81	71.74	73.31	70.74	62.56
17) Net Debt to Equity Ratio (%)	35.20	41.90	40.60	33.80	22.40

### Financial Summary

Particulars	Year ended				
	March 31, 2020 IND-AS	March 31, 2019 IND-AS	March 31, 2018 IND-AS	March 31, 2017 IND-AS	March 31, 2016 IND-AS
<b>ASSETS</b>					
<b>Non Current Assets</b>					
(a) Property, Plant and Equipment	53,632	41,658	44,107	39,275	33,431
(b) Right-of-use assets	527	-	-	-	-
(c) Capital Work in Progress	732	14,123	7,578	4,033	582
(d) Other Intangible Assets	4,803	5,094	4,766	4,700	3,895
(e) Intangible Assets under Development	4,338	4,420	5,978	5,030	4,898
(f) Financial Assets					
(i) Investments	245	245	261	282	261
(ii) Loans	100	126	107	180	130
(iii) Others	588	507	1,601	1,669	458
(g) Deferred Tax Asset (Net)	3,593	3,554	3,135	2,763	2,196
(h) Income Tax Asset (Net)	924	918	307	425	10
(i) Other Non Current Assets	1,573	1,535	2,245	4,349	1,923
<b>Total, Non current Assets</b>	<b>71,055</b>	<b>72,180</b>	<b>70,085</b>	<b>62,706</b>	<b>47,784</b>

## Financial Highlights (Standalone)

### Financial Summary Contd.

Particulars	Year ended March 31, 2020 IND-AS	Year ended March 31, 2019 IND-AS	Year ended March 31, 2018 IND-AS	Year ended March 31, 2017 IND-AS	Year ended March 31, 2016 IND-AS
<b>Current Assets</b>					
(a) Inventories	20,824	18,337	19,323	18,504	16,447
(b) Financial Assets					
(i) Investments	–	–	–	–	1,568
(ii) Trade Receivables	20,918	19,447	20,783	21,573	18,772
(iii) Cash and Cash Equivalents	2,348	2,072	848	5,992	1,025
(iv) Bank Balances other than (iii) above	1,417	1,546	332	248	218
(v) Loans	38	41	59	155	142
(vi) Other Current Financial Assets	371	1,015	199	1,291	393
(c) Other Current Assets	10,260	11,192	12,171	9,249	7,574
(d) Assets classified as held for sale	–	–	–	7	7
<b>Total Current Assets</b>	<b>56,176</b>	<b>53,650</b>	<b>53,715</b>	<b>57,019</b>	<b>46,146</b>
<b>Total, Assets</b>	<b>127,231</b>	<b>125,830</b>	<b>123,800</b>	<b>119,725</b>	<b>93,930</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
(a) Equity Share Capital	1,843	1,843	1,843	1,843	1,843
(b) Other Equity	66,173	64,265	65,713	63,345	55,802
<b>Total Equity</b>	<b>68,016</b>	<b>66,108</b>	<b>67,556</b>	<b>65,188</b>	<b>57,645</b>
<b>Liabilities</b>					
<b>Non-current Liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings	9,693	12,866	12,328	13,231	3,788
(ii) Other Financial Liabilities	1,282	732	711	698	647
(b) Long Term Provisions	2,323	1,591	1,266	1,125	1,352
(c) Other Non-Current Liabilities	–	–	250	445	322
<b>Total, Non-Current Liabilities</b>	<b>13,298</b>	<b>15,189</b>	<b>14,555</b>	<b>15,499</b>	<b>6,109</b>
<b>Current Liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings	10,598	11,339	10,993	11,836	8,646
(ii) Trade Payables	16,629	17,071	14,945	16,417	13,101
(iii) Other Financial Liabilities	12,359	10,928	10,220	6,843	5,215
(b) Short Term Provisions	5,155	4,421	3,819	3,577	2,699
(c) Other Current Liabilities	1,176	774	1,712	365	515
<b>Total, Current Liabilities</b>	<b>45,917</b>	<b>44,533</b>	<b>41,689</b>	<b>39,038</b>	<b>30,176</b>
<b>Total, Liabilities</b>	<b>59,215</b>	<b>59,722</b>	<b>56,244</b>	<b>54,537</b>	<b>36,285</b>
<b>Total, Liabilities and Equity</b>	<b>127,231</b>	<b>125,830</b>	<b>123,800</b>	<b>119,725</b>	<b>93,930</b>

## Financial Highlights (Standalone)

### FINANCIAL PERFORMANCE

	<i>Year ended March 31, 2020</i>	<i>(₹ lakhs) Year ended March 31, 2019</i>
Revenue from Operations (Net of Returns)	<b>1,10,600</b>	96,774
Other Income	<b>243</b>	615
Total Income	<b>1,10,843</b>	97,389
<b>Profit before Finance Cost, Depreciation, Amortisation and Impairment &amp; Tax</b>	<b>12,577</b>	8,286
Less : Finance Cost	<b>2,625</b>	2,054
Depreciation, Amortisation and Impairment Expenses	<b>7,081</b>	7,156
Profit / (Loss) Before Tax	<b>2,871</b>	(924)
Less : Provision for Taxation		
Current	<b>386</b>	—
Deferred	<b>60</b>	(640)
Net Profit / (Loss) After Tax	<b>2,425</b>	(284)
Other Comprehensive Income	<b>(184)</b>	(53)
Total Comprehensive Income	<b>2,241</b>	(337)
Balance brought forward	<b>31,916</b>	33,364
Amount available for appropriation	<b>34,157</b>	33,027
<b>Appropriations :</b>		
Dividend	<b>276</b>	922
Dividend Tax	<b>57</b>	189
Transfer to General Reserve	<b>—</b>	—
Balance carried forward	<b>33,824</b>	31,916
	<b>34,157</b>	33,027

## **Independent Auditors' Report (Consolidated)** to the Members of Indoco Remedies Limited

### **Report on the Consolidated Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated Ind AS financial statements of **Indoco Remedies Limited** ("the Holding Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2020, and the consolidated Statement of Profit and Loss including other comprehensive income, consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, and its consolidated profit and consolidated other comprehensive loss, its consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group 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 consolidated Ind AS 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.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Auditor's response
1.	<p><b>Intangible assets under development</b></p> <p>The group undertakes several projects for new product development. Once the regulatory approvals are received, such items are reclassified as Intangible Assets in the books of accounts.</p> <p>The management makes an assessment as to whether all such projects are capable of being completed and capable of getting the requisite regulatory approvals. On the basis of such assessment, the costs incurred on such projects till the time regulatory approvals are obtained are reflected in the consolidated financial statements as "Intangible Assets Under Development"</p> <p>The quantum of Intangible Assets Under Development as at March 31, 2020 was ₹ 4,337.90 lakhs.</p> <p>Refer Note 5 to the Consolidated Financial Statements.</p>	<p>We have carried out the validation of the information provided by the management by performing the following procedures:</p> <ul style="list-style-type: none"> <li>a) Obtaining detailed listing of all projects under development.</li> <li>b) Evaluating management's judgement of technical and commercial feasibility of such projects and comparing the same with past record of such regulatory approvals.</li> <li>c) Getting representations from the management wherever necessary.</li> </ul>
2.	<p><b>Accuracy, Completeness, and disclosure with reference to Ind AS-16 of Property, Plant and Equipment (including Capital Work in Progress)</b></p> <p>The carrying value of property, plant and equipment as per consolidated Ind AS financial statements (including capital work in progress) as on 31.03.2020 of ₹ 54,368.04 lakhs includes ₹ 16,739.95 lakhs capitalised /transferred from capital work in progress during the year.</p> <p>Capital expenditure involves management technical estimates and judgement about capitalisation, estimated useful life, impairment which has material impact on balance sheet and operating results of the Company</p> <p>Refer Note no. 3 to the Consolidated Financial Statements.</p>	<p>Our audit procedures, amongst others, include the following –</p> <ul style="list-style-type: none"> <li>a) Obtaining an understanding of operating effectiveness of management's internal control over capital expenditure.</li> <li>b) We assessed Group's process regarding maintenance of records, valuation and accounting of transactions pertaining to Property, Plant and Equipment including Capital Work in Progress with reference to Indian Accounting Standard 16: Property, Plant and Equipment.</li> <li>c) We have reviewed management's judgment pertaining to estimation of useful life and depreciation of the Property, Plant and Equipment</li> <li>d) We have verified the capitalization of borrowing cost incurred on qualifying asset in accordance with the Indian Accounting Standard 23: Borrowing Costs.</li> <li>e) Ensuring adequacy of disclosures in the standalone financial statements.</li> </ul>

<i>Sr. No.</i>	<i>Key Audit Matters</i>	<i>Auditor's response</i>
3.	<p><b>Provisions for sales returns</b></p> <p>The group provides for sales returns on an estimated basis as a percentage of sales. Such an estimate is arrived at on the basis of average of actual sales return over the last 3 financial years. Such estimation is based on management's best judgement of the probability of sales returns. Provision for sales return amounted to ₹ 2,872.52 lakhs as on March 31, 2020.</p> <p>Refer Note 27 to the Consolidated Financial Statements.</p>	<p>We have carried out the validation of the information provided by the management by performing the following procedures:</p> <p>a) Validating the process consistently implemented by the management in arriving at the estimates.</p> <p>b) Correlating the amounts of actual sales returns with the provisions made.</p> <p>c) Evaluated management assessment for change in estimates for provision for sales return during this year.</p> <p>d) Getting representations from the management wherever necessary.</p>

### **Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's 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 during the course of our 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.

### **Responsibilities of the Management and Those charged with governance for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 financial statement 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 the consolidated Ind AS financial statements by the directors of the holding company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the group are responsible for assessing the Group'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 the management either intends to liquidate the companies included in group 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 are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the consolidated Ind AS 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.
- b) Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under the section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the 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 ability of the Group 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 consolidated Ind AS 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 to cease to continue as a going concern.

- e) Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. 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.

Materiality is the magnitude of misstatements in the consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated Ind AS financial statements.

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 and are therefore the key audit matters. We describe these matters in our auditor's report unless that were of most significance in the audit of the consolidated financial statements of the current period 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**

We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of ₹ 297.34 lakh as at March 31, 2020, total revenues of ₹ 59.20 lakh, total net loss after tax of ₹ 13.07 lakh for the year ended March 31, 2020 and net cash inflow of ₹ 20.35 lakh for the year ended March 31, 2020 as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditor 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 the subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors. Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.

### **Report on Other Legal and Regulatory Requirements**

1. 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 of the aforesaid consolidated Ind AS financial statements.
  - b) in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
  - c) the consolidated balance Sheet, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
  - d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under.
  - e) on the basis of written representations received from the directors of the holding company as on March 31, 2020 taken on record by the Board of Directors of the holding company and the report of the statutory auditor of its subsidiary company, none of the directors of the Group Companies is disqualified as on March 31, 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 over financial reporting and the operating effectiveness of such controls, refer to our separate report in "Annexure A"
  - g) with respect to the other matters to be included in the Auditor's 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 consolidated Ind AS financial statements disclose the impact of pending litigations as at March 31, 2020 on the consolidated financial position of the Group – Refer Note No 47 to the consolidated Ind AS financial statements.
    - ii. The Group does 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 Holding Company and its subsidiary companies.
2. As required by Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

**For Gokhale & Sathe**  
*Chartered Accountants*  
Firm Regn. No. 103264W

**Tejas Parikh**  
*Partner*

Membership No. 123215  
UDIN: - 20123215AAAABS4892

Date : June 24, 2020  
Place : Mumbai

## **ANNEXURE A**

### **to the Independent Auditors' Report (Consolidated)**

#### **as required by Sec. 143(3) of Companies Act 2013**

*(Referred to in our Report of even date on consolidated Ind AS financial statements of Indoco Remedies Limited as at March 31, 2020)*

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of Indoco Remedies Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Indoco Remedies Limited ('the Holding Company') and its subsidiary company, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 ('ICAI'). 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Holding Company and its subsidiary companies, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS 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 system over financial reporting of the Company and its subsidiary companies.

## Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting 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 control over financial reporting 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

## Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the subsidiary companies, is based on the corresponding report of the auditor of such company. Our opinion is not qualified in respect of this matter.

For **Gokhale & Sathe**  
*Chartered Accountants*  
Firm Regn. No. 103264W

**Tejas Parikh**  
*Partner*

Date : June 24, 2020  
Place : Mumbai

Membership No. 123215  
UDIN: - 20123215AAAABS4892

## Consolidated Balance Sheet

As at March 31, 2020

Particulars	Note No.	March 31, 2020	March 31, 2019
(₹ lakhs)			
<b>ASSETS</b>			
<b>Non Current Assets</b>			
(a) Property, Plant and Equipment .....	3	53,635.55	41,661.76
(b) Right-of-use assets .....	4	526.51	–
(c) Capital Work in Progress .....	3	732.49	14,122.90
(d) Goodwill on consolidation .....		9.00	9.00
(e) Other Intangible Assets .....	5	4,803.03	5,094.17
(f) Intangible Assets under Development .....	5	4,337.90	4,420.08
(g) Financial Assets			
(i) Investments .....	6(a)	2.10	2.10
(ii) Loans .....	7	99.87	125.62
(iii) Other Financial Assets .....	8	588.16	507.55
(h) Deferred Tax Assets (Net) .....	9	3,590.02	3,550.99
(i) Income Tax Assets (Net) .....	10	932.35	942.91
(j) Other Non Current Assets .....	11	1,592.15	1,562.68
<b>Total, Non current Assets</b> .....		<b>70,849.13</b>	<b>71,999.76</b>
<b>Current Assets</b>			
(a) Inventories .....	12	20,831.66	18,345.06
(b) Financial Assets			
(i) Investments .....	6(b)	–	–
(ii) Trade Receivables .....	13	21,014.39	19,583.72
(iii) Cash and Cash Equivalents .....	14	2,376.21	2,079.68
(iv) Bank Balances other than (iii) above .....	15	1,416.88	1,546.33
(v) Loans .....	16	38.64	43.23
(vi) Other Financial Assets .....	17	371.78	1,015.28
(c) Other Current Assets .....	18	10,260.82	11,191.92
<b>Total Current Assets</b> .....		<b>56,310.38</b>	<b>53,805.22</b>
<b>Total, Assets</b> .....		<b>1,27,159.51</b>	<b>1,25,804.98</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital .....	19	1,843.01	1,843.01
<b>Other Equity</b>			
Other Equity .....	20	66,113.93	64,219.23
<b>Total Equity</b> .....		<b>67,956.94</b>	<b>66,062.24</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings .....	21	9,693.01	12,865.71
(ii) Other Financial Liabilities .....	22	1,282.24	731.95
(b) Provisions .....	23	2,328.68	1,594.96
<b>Total, Non-Current Liabilities</b> .....		<b>13,303.93</b>	<b>15,192.62</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings .....	24	10,597.86	11,339.37
(ii) Trade Payables .....	25		
Total Outstanding Dues of Micro Enterprises		12.06	18.38
and Small Enterprises			
Total Outstanding Dues of Creditors Other Than		16,548.31	17,053.89
Micro Enterprises and Small Enterprises			
(iii) Other Financial Liabilities .....	26	12,390.23	10,934.65
(b) Provisions .....	27	5,159.38	4,425.77
(c) Other Current Liabilities .....	28	1,190.80	778.06
<b>Total, Current Liabilities</b> .....		<b>45,898.64</b>	<b>44,550.12</b>
<b>Total, Liabilities</b> .....		<b>59,202.57</b>	<b>59,742.74</b>
<b>Total, Equity and Liabilities</b> .....		<b>1,27,159.51</b>	<b>1,25,804.98</b>

The above statement of Balance Sheet should be read in conjunction with the accompanying notes.

As per our Report of even date attached  
For **Gokhale & Sathe**  
Chartered Accountants  
Firm Registration no.: 103264W

**Tejas Parikh**  
Partner  
M. No. 123215

**Aditi Panandikar**  
Managing Director  
DIN : 00179113

**Mandar Borkar**  
CFO

**Sundeep V Bambolkar**  
Jt. Managing Director  
DIN : 00176613

**Jayshankar Menon**  
Company Secretary

Mumbai : June 24, 2020

## Consolidated Statement of Profit and Loss Account

### For the year ended March 31, 2020

Particulars	Note No.	(₹ lakhs)	
		Year ended 31 March 2020	Year ended 31 March 2019
<b>Income</b>			
(a) Revenue from Operations .....	29	110,658.11	96,844.74
(b) Other Income .....	30	243.55	614.61
<b>Total Income (I)</b> .....		<b>110,901.66</b>	<b>97,459.35</b>
<b>Expenditure</b>			
(c) Cost of Materials Consumed .....	31a	26,268.22	24,016.56
(d) Purchase of Stock in Trade .....	31b	7,579.66	6,676.57
(e) Changes in Inventories of Finished Goods, Stock in Trade & Work in Progress .....	31c	(805.03)	1,332.18
(f) Employee Benefit Expenses .....	32	25,650.70	23,165.56
(g) R&D Expenses .....	33	4,970.20	5,151.55
(h) Finance Costs .....	36	2,625.39	2,053.89
(i) Depreciation, Amortization and Impairment Expense ...	34	7,081.59	7,156.87
(j) Other Expenditure .....	35	34,673.70	28,837.39
<b>Profit / (Loss) before Tax</b> .....		<b>2,857.23</b>	<b>(931.22)</b>
(k) Provision for Tax	37		
(a) Current .....		385.81	—
(b) Deferred .....		59.68	(640.82)
<b>Total Taxes</b> .....		<b>445.49</b>	<b>(640.82)</b>
<b>Profit / (Loss) for the year</b> .....		<b>2,411.74</b>	<b>(290.40)</b>
(l) <b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit and loss			
i) Remeasurements of post-employment benefit obligations .....	38	(282.45)	(80.74)
ii) Income tax relating to this item .....	37	98.70	28.21
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations .....		(0.01)	—
<b>Total Other Comprehensive Income</b> .....		<b>(183.76)</b>	<b>(52.53)</b>
<b>Total Comprehensive income for the year</b> .....		<b>2,227.98</b>	<b>(342.93)</b>
<b>Profit attributable to :</b>			
Equity Shareholders of the Company .....		2,411.74	(290.40)
Non-Controlling Interest .....		—	—
		<b>2,411.74</b>	<b>(290.40)</b>
<b>Other comprehensive income is attributable to:</b>			
Equity Shareholders of the Company .....		(183.76)	(52.53)
Non-Controlling Interest .....		—	—
		<b>(183.76)</b>	<b>(52.53)</b>
<b>Total comprehensive income is attributable to:</b>			
Equity Shareholders of the Company .....		2,227.98	(342.93)
Non-Controlling Interest .....		—	—
		<b>2,227.98</b>	<b>(342.93)</b>
(m) <b>Earning Per Share</b>			
<b>Basic &amp; Diluted (₹)</b> .....	45	2.62	(0.32)

The above statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our Report of even date attached  
For **Gokhale & Sathe**  
Chartered Accountants  
Firm Registration no.: 103264W

**Tejas Parikh**  
Partner  
M. No. 123215

**Aditi Panandikar**  
Managing Director  
DIN : 00179113

**Mandar Borkar**  
CFO

**Sundeep V Bambolkar**  
Jt. Managing Director  
DIN : 00176613

**Jayshankar Menon**  
Company Secretary

Mumbai : June 24, 2020

## Consolidated Cash Flow Statement

For the year ended March 31, 2020

	Year ended March 31, 2020	Year ended March 31, 2019	(₹ lakhs)
<b>(A) Cash Flow from Operating Activities :</b>			
<b>Net Profit / (Loss) before tax and extraordinary item</b>	<b>2,857.23</b>		(931.22)
Adjustments for :			
Depreciation, Amortisation and Impairment Expense	7,081.59	7,156.87	
Profit on sale of Fixed Assets	(2.63)	(0.31)	
Loss on sale of Fixed Assets	25.29	20.65	
Sundry Balance written back	(7.88)	(110.29)	
Provision for Doubtful Debts / Bad Debts	583.20	601.02	
Investment in Subsidiaries Written off	-	29.02	
Interest Income	(123.99)	(154.84)	
Dividend received on Investments	(0.02)	(0.32)	
Unrealised Foreign Exchange (Gain) / Loss	119.44	(730.16)	
Finance Cost (Other than Unrealised Foreign Exchange (Gain) / Loss)	2,276.35	2,123.70	
	<b>9,951.35</b>		8,935.34
<b>Operating Profit before Working Capital Change</b>	<b>12,808.58</b>		<b>8,004.12</b>
Adjustments for:			
Decrease / (Increase) in Trade Receivables	(1,784.27)	1,426.22	
Decrease / (Increase) in Other Current Financial Assets	648.09	(813.44)	
Decrease / (Increase) in Other Current Assets	931.09	979.87	
Decrease / (Increase) in Inventories	(2,486.60)	993.21	
Decrease / (Increase) in Other Non Current Financial Assets	(44.41)	1,082.97	
Decrease / (Increase) in Other Non Current Assets	(33.98)	(33.97)	
Increase / (Decrease) in Trade Payables	(504.02)	2,227.58	
Increase / (Decrease) in Non Current Financial Liabilities	557.80	20.46	
Increase / (Decrease) in Non Current Provisions	451.28	244.71	
Increase / (Decrease) in Other Non Current Liabilities	-	(250.00)	
Increase / (Decrease) in Current Financial Liabilities	970.13	41.02	
Increase / (Decrease) in Current Provisions	733.61	603.57	
Increase / (Decrease) in Other Current Liabilities	412.72	(960.40)	
	<b>(148.56)</b>		5,561.80
<b>Cash generated from Operations</b>	<b>12,660.02</b>		<b>13,565.92</b>
Income Tax Paid (Net of Refund)	(375.25)		(354.54)
<b>Net Cash generated from Operating Activities (A)</b>	<b>12,284.77</b>		<b>13,211.38</b>
<b>(B) Cash Flow from Investing Activities</b>			
Payment towards Capital Expenditure	(5,846.44)	(9,694.86)	
Sale of Fixed Assets	10.13	395.27	
Proceeds from sale of Investments	-	(11.12)	
Bank Balance not considered as Cash & Cash Equivalents	129.45	(1,214.10)	
Interest Received	113.54	148.83	
Dividend received on Investments	0.02	0.32	
<b>Net Cash used in Investing Activities (B)</b>	<b>(5,593.30)</b>		<b>(10,375.66)</b>



## Consolidated Cash Flow Statement

For the year ended March 31, 2020

... Contd. from previous page

(₹ lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
<b>(C) Cash Flow from Financing Activities</b>		
Finance Cost (Other than Unrealised Foreign Exchange (Gain) / Loss)	(2,233.13)	(2,081.71)
Payment of Lease Liability	(7.51)	—
Dividend Paid	(336.32)	(1,109.37)
Proceeds from Long Term Borrowings	2,300.00	6,166.30
Repayment of Long Term Borrowings	(5,388.16)	(4,886.86)
Proceeds / (Repayment) from Short Term Borrowings	(729.82)	297.45
<b>Net Cash inflow / (outflow) from Financing Activities (C)</b>	<b>(6,394.94)</b>	<b>(1,614.19)</b>
<b>Net Increase / (Decrease) in Cash or Cash Equivalents (A+B+C)</b>	<b>296.53</b>	<b>1,221.53</b>
<b>Cash and Cash Equivalents at the beginning of the Financial Year</b>	<b>2,079.68</b>	<b>858.15</b>
<b>Cash and Cash Equivalents at the end of the Financial Year (Refer Note 14)</b>	<b>2,376.21</b>	<b>2,079.68</b>

### Notes:

- The above statement of Cash Flows should be read in conjunction with the accompanying notes.
- The above Cash Flow Statement has been prepared under "Indirect Method" set out in Ind AS-7, issued by Institute of Chartered Accountants of India
- Figures in brackets indicate cash outgo.
- Previous year's figures have been regrouped and reclassified wherever necessary.
- Cash and Cash Equivalents comprise of :

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
a. Cash on Hand	11.06	9.25	15.32
b. Balances with Bank	2,365.15	2,070.43	842.83
<b>Total</b>	<b>2,376.21</b>	<b>2,079.68</b>	<b>858.15</b>

- Changes in liability arising from financing activities :

Particulars	Borrowings		
	Non-Current (Note 21)	Current (Note 24)	Total
As at March 31, 2018	17,249.24	10,993.14	28,242.38
Cash Flow	1,279.44	297.45	1,576.89
Foreign exchange movement	(118.57)	48.78	(69.79)
<b>As at March 31, 2019</b>	<b>18,410.11</b>	<b>11,339.37</b>	<b>29,749.48</b>
Cash Flow	(3,088.16)	(729.82)	(3,817.98)
Foreign exchange movement	360.71	(11.69)	349.02
<b>As at March 31, 2020</b>	<b>15,682.66</b>	<b>10,597.86</b>	<b>26,280.52</b>

As per our Report of even date attached  
For **Gokhale & Sathe**  
Chartered Accountants  
Firm Registration no.: 103264W

**Aditi Panandikar**  
Managing Director  
DIN : 00179113

**Sundeep V Bambolkar**  
Jt. Managing Director  
DIN : 00176613

**Tejas Parikh**  
Partner  
M. No. 123215

**Mandar Borkar**  
CFO

**Jayshankar Menon**  
Company Secretary

Mumbai : June 24, 2020

## Statement for Changes in Equity (Consolidated)

For the year ended March 31, 2020

### a. Equity Share Capital

(₹ lakhs)

Particulars	Note No	Amount
As at April 1, 2018	19	1,843.01
Changes in Equity Share Capital		–
<b>As at March 31, 2019</b>		<b>1,843.01</b>
Changes in Equity Share Capital		–
<b>As at March 31, 2020</b>		<b>1,843.01</b>

### b. Other Equity

(₹ lakhs)

Particulars	Note No.	Attributable to owners of Indoco Remedies Ltd.					Total Reserves	Non-Control-ling Interest	Total
		Reserves & Surplus							
		Securities Premium	Capital reserve	General reserve	Foreign Currency Monetary Item Translation Difference	Retained Earnings			
<b>Balance as at April 1, 2018</b>	20	<b>6,420.93</b>	<b>0.02</b>	<b>25,817.64</b>	<b>(0.34)</b>	<b>33,416.85</b>	<b>65,655.10</b>	<b>0.08</b>	<b>65,655.18</b>
Changes in treasury shares during the year									
Profit for the year		–	–	–	–	(290.40)	(290.40)	–	(290.40)
Other comprehensive income for the year		–	–	–	–	(52.53)	(52.53)	–	(52.53)
<b>Total Comprehensive income for the year</b>		–	–	–	–	(342.93)	(342.93)	–	(342.93)
Dividends (including dividend distribution tax of ₹ 189.42 lakhs)		–	–	–	–	(1,110.92)	(1,110.92)	–	(1,110.92)
Transfer to General Reserve		–	–	–	–	–	–	–	–
Exchange gain/(loss) on translation during the year		–	–	–	0.34	17.64	17.98	(0.08)	17.90
<b>Balance as at March 31, 2019</b>		<b>6,420.93</b>	<b>0.02</b>	<b>25,817.64</b>	<b>–</b>	<b>31,980.64</b>	<b>64,219.23</b>	<b>–</b>	<b>64,219.23</b>
<b>Balance as at April 1, 2019</b>		<b>6,420.93</b>	<b>0.02</b>	<b>25,817.64</b>	<b>–</b>	<b>31,980.64</b>	<b>64,219.23</b>	<b>–</b>	<b>64,219.23</b>
Changes in equity share capital during the year									
Profit / (Loss) for the year		–	–	–	–	2,411.74	2,411.74	–	2,411.74
Other comprehensive Income for the year		–	–	–	–	(183.76)	(183.76)	–	(183.76)
<b>Total comprehensive income for the year</b>		–	–	–	–	2,227.98	2,227.98	–	2,227.98
Dividends (including dividend distribution tax of ₹ 56.83 lakhs)		–	–	–	–	(333.28)	(333.28)	–	(333.28)
Transfer to General Reserve		–	–	–	–	–	–	–	–
<b>Balance as at March 31, 2020</b>		<b>6,420.93</b>	<b>0.02</b>	<b>25,817.64</b>	<b>–</b>	<b>33,875.34</b>	<b>66,113.93</b>	<b>–</b>	<b>66,113.93</b>

The above statement of Changes in Equity should be read in conjunction with the accompanying notes.

Remeasurement loss (net of tax) on defined benefit plan ₹ 183.76 Lakhs (Previous year ₹ 52.53 Lakhs) is recognised during the year as part of Retained Earnings.

# Notes to Consolidated Financial Statements

## For the year ended March 31, 2020

### Corporate Information

Indoco Remedies Limited (the Company) is a Public Limited Company domiciled in India and incorporated under the provision of the Companies Act, VII of 1913. Its Shares are listed on two stock exchanges in India i.e Bombay Stock Exchange and National Stock Exchange. Indoco Remedies Limited is engaged in the manufacturing and marketing of Formulations (Finished Dosage Forms) and Active Pharmaceutical Ingredients (APIs). The Company caters to both domestic and International markets; Company has two wholly owned subsidiaries Xtend Industrial Designers and Engineers Pvt Ltd (formerly known as Indoco Industrial Designers & Engineers Pvt.Ltd.) & Indoco Remedies Czech sro.

Name of the subsidiary	Country of Incorporation	% of Holding and voting power either directly or indirectly through subsidiary as at March 31, 2020	% of Holding and voting power either directly or indirectly through subsidiary as at March 31, 2019
<b>Indian Subsidiary :</b>			
Xtend Industrial Designers & Engineers Pvt Ltd	India	100%	100%
<b>Foreign Subsidiary :</b>			
Indoco Remedies Czech s.r.o.	Czech Republic	100%	100%

### 1. Significant Accounting Policies followed by the Company

#### a) Basis of Preparation

##### (i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

These consolidated financial statements were authorised for issue by the Company's Board of Directors on June 24, 2020.

##### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at fair value;
- Assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- Defined benefit plans - Plan assets measured at fair value;

##### (iii) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

##### (iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

#### b) Use of estimates and judgements

The preparation of financial statements requires management of the Company to make estimates and assumptions that affect the reported assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Management at each reporting date reviews estimates and underlying assumptions. Actual results could differ from these estimates. Any revision of these estimates is recognised prospectively in the current and future periods.

Following are the critical judgements and estimates:

**Critical judgments:**

**a Taxes on Income:**

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions and possibility of utilisation of Minimum Alternate Tax [MAT] Credit in future.

**b Employee benefits:**

Significant judgments are involved in making estimates about the life expectancy, discounting rate, salary increase, etc. which significantly affect the working of the present value of future liabilities on account of employee benefits by way of defined benefit plans.

**c Product warranty and expiry claims:**

Significant judgments are involved in determining the estimated stock lying in the market with product shelf life and estimates of likely claims on account of expiry of such unsold goods lying with stockists.

**d Impairment of property, plant and equipment**

Significant judgment is involved in determining the estimated future cash flows from Property, Plant and Equipment to determine their value in use to assess whether there is any impairment in their carrying amounts as reflected in the financials.

**e Contingent liabilities:**

Significant judgment is involved in determining whether there is a possible obligation that may, but probably will not require an outflow of resources.

**Critical estimates:**

**a Property, Plant and Equipment:**

Property, Plant and Equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Management reviews the residual values, useful lives and methods of depreciation of Property, Plant and Equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

**b Sales return**

The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. Accordingly, the estimate of sales returns is determined primarily by the Company's historical experience in the markets in which the Company operates.

**c) Segment Reporting**

The Company has only one business segment i.e Pharmaceutical Products.

**d) Foreign Currency Translation**

**(i) Functional and presentation currency**

The Financial Statements are presented in Indian rupees (INR) which is the functional and presentation currency.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of

such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Profit or Loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of Profit and Loss on a net basis within other gains / (losses).

**e) Revenue Recognition**

The company derives major portion of its revenue from manufacturing and marketing of Formulations (Finished Dosage Forms) and Active Pharmaceutical Ingredients (APIs). Other sources of revenue include Dossiers development, Analytical Studies and Bio-equivalent studies undertaken by the company on behalf of customers.

With effect from April 1, 2018, the company has adopted Ind AS 115, Revenue from Contracts with Customers. The company analysed the impact of Ind AS on incomplete contracts, if any and concluded that the effect of adoption of Ind AS 115 was insignificant.

**Recognising revenue from major business activities**

**i. Sale of goods - FDF and API**

Revenue from sale of FDF and API are recognised when the performance obligations are satisfied in accordance with Ind AS 115. Performance obligations are deemed to have been satisfied when substantial risk and rewards of ownership are transferred to the customer and the customer obtains control of the promised goods. In case of domestic sales, performance obligations are satisfied when goods are dispatched, or delivery is handed over to the transporter. In case of export sales, performance obligations are satisfied based on terms defined in the contracts. In case of Ex-works contracts, performance obligation is satisfied when goods are shipped or dispatched from the factory and in other cases when the goods are shipped on board based on Bill of Lading / Airway Bill or any other similar document evidencing delivery thereof.

**ii. Revenue from services**

Services provided include Dossiers development, Analytical Studies and Bio-equivalent studies undertaken by the company on behalf of customers.

The contracts with customers for Dossiers and study reports are fixed-price contracts. Revenue from such contracts, where the performance obligations are satisfied over time and where there is no significant uncertainty as to measurement or collectability of consideration, is recognised as per the percentage of completion method i.e. based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. The effect that the contract modification has on the transaction price, and on the entity's measure of progress towards complete satisfaction of the performance obligation, is recognised as an adjustment to revenue (either as an increase in or a reduction of revenue) at the date of the contract modification (i.e. the adjustment to revenue is made on a cumulative catch-up basis).

**iii. Other operating revenue - Export incentives**

Revenue from Export Incentives under various schemes is recognised when the performance obligations are satisfied i.e. when the related export sales are effected.

**iv. Sales Return**

The Company recognises provision for sales return, on the basis of past experience, measured on net basis of the margin of the sales. Any unutilised provision for sales return is reversed to the Statement of Profit and Loss on completion of 3 years from the date of creation.

**f) Government Grants**

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

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Profit and Loss on a straight - line basis over the expected lives of related assets and presented within other income.

**g) Income Tax**

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

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

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

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

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

Minimum Alternate Tax [MAT] paid in a year is charged to the Statement of Profit and Loss as current tax.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**h) Business Combinations**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Company; and
- Fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

**i) Cash and Cash Equivalents**

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

**j) Cash Flow Statements**

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

**k) Inventories**

Inventories of Raw Materials, work-in-progress, stores and spares, Finished Goods and Stock-in-trade are stated 'at cost or net realisable value, whichever is lower'. Goods-in-Transit are stated 'at cost'. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulas used are 'Weighted Average Cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

**l) Non-Current Assets held for Sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal Company classified as held for sale continue to be recognised.

**m) Derivatives and Hedging Activities**

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

**n) Property, Plant and Equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

### Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

<i>Asset Class</i>	<i>Useful Life</i>
Building and Premises - Office	60 years
Building and Premises - Factory	30 years
Plant and Machinery	15 years
Handling Equipment	15 years
Pollution Control Equipment	10 years
Laboratory Equipment	10 years
R & D Equipment	10 years
Plant Utilities	15 years
Electric Installation	10 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Computers - Desktops, Laptop etc.	3 years
Computers - Servers and Networks	6 years
Networking Instrument	6 years
Air Conditioning Unit	15 years
Vehicles	8 years
Trade Mark	15 years
Technical Know How	10 years

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

#### o) Intangible Assets

##### (i) Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use it



- There is an ability to use the software
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use the software are available, and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

**(ii) ANDA / DMFs / Dossiers**

All revenue expenditure incurred till the development of ANDAs / DMFs / Dossiers etc. are grouped under intangible assets under development. Once the development is complete, the expenditures incurred on the said project is capitalised & grouped under “Intangible Assets” and amortised based on best estimated commercial revenue period, not exceeding 5 years. The carrying value of the capitalised project is reviewed for impairment annually.

**(iii) Amortisation methods and periods**

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

- |                                 |          |
|---------------------------------|----------|
| • Trade Mark/ Technical Knowhow | 15 years |
| • Technical Knowhow             | 10 Years |
| • Computer software             | 3 years  |
| • ANDA / DMF                    | 5 years  |

**p) Research and Development Expenditure**

Research & Development costs of revenue nature are charged to Profit & Loss account when incurred, Expenditure of capital nature is capitalised and depreciation is provided on these assets as per the provisions of the Companies Act, 2013.

**q) Borrowings**

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

**r) Borrowing Costs**

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

**s) Provisions**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

**t) 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.

**A Financial Assets:**

**a Initial recognition and measurement:**

All financial assets are recognised initially at fair value. Transaction costs that are attributable

to the acquisition of the financial asset which are not at Fair Value Through Profit and Loss Account are adjusted to fair value on initial recognition. Purchases or sales of financial assets are recognised on the settlement date i.e. the date that the Company settles to purchase or sell the asset.

**b Subsequent measurement:**

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

**i Financial Assets measured at amortised cost:**

A 'financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held with an objective of collecting contractual cash flows
- Contractual terms of the asset give rise on specified dates to cash flows that are "solely payments of principal and interest" [SPPI] on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate [EIR] method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of profit and loss.

**ii Financial Assets at fair value through other comprehensive income [FVTOCI]:**

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

- The asset is held with objective of both for collecting contractual cash flows and selling the financial assets
- The asset's contractual cash flows represent SPPI.

Financial Assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**iii Financial Assets at fair value through profit or loss [FVTPL]:**

Financial assets, which are not classified in any of the above categories are measured at FVTPL.

**iv Equity instruments:**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company has made such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment.

However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

**v Investments in subsidiaries and joint ventures:**

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint ventures, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss. Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries and joint ventures at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 1, 2015.

**c Derecognition:**

A financial asset [or, where applicable, a part of a financial asset] is primarily derecognised [i.e. removed from the Company's balance sheet] when:

- (i) The rights to receive cash flows from the asset have expired, or
- (ii) 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. When the Company has transferred the risks and rewards of ownership of the financial asset, the same is derecognised.

**d 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:

- i Financial assets that are debt instruments, and are measured at amortised cost
- ii Trade receivables or any contractual right to receive cash or another financial asset
- iii Financial assets that are debt instruments and are measured as at FVTOCI. The Company follows 'simplified approach' for recognition of impairment loss allowance on Point b above.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it requires the Company to recognise the 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. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive [i.e., all cash shortfalls], discounted at the original EIR. ECL impairment loss allowance (or reversal) is recognized as expense/ income 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 and 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, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount. For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics.

**B Financial Liabilities:**

**a Initial recognition and measurement:**

All financial liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**b Subsequent measurement:**

Subsequently all financial liabilities are measured as amortised cost, using EIR method. Gains and losses are recognised in Statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit and loss.

**c 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.

**d Embedded derivatives:**

An embedded derivative is a component of a hybrid [combined] instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of profit and loss, unless designated as effective hedging instruments.

**C Offsetting of financial instruments:**

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

**u) Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a In the principal market for the asset or liability, or
- b 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. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. 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:

- a Level 1 — Quoted [unadjusted] market prices in active markets for identical assets or liabilities
- b Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c 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.

v) **Employee Benefits**

(i) **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) **Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

(iii) **Post-employment obligations**

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity
- (b) Defined contribution plans such as provident fund and Superannuation

**Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

#### **Defined Contribution Plans**

Defined Contribution Plans such as Provident Fund, Superannuation etc., are charged to the Statement of Profit and Loss as incurred.

#### **w) Contributed Equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

##### **(i) Earnings per Share**

###### **Basic earnings per share**

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

###### **Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

##### **(ii) Dividends to shareholders**

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

#### **x) Contingent Liabilities**

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 beyond 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.

#### **y) Leases**

The Company has adopted INDAS 116, "Leases", effective April 1, 2019, using modified retrospective approach.

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets

is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of lease payments that are not paid at the commencement date of the lease. The lease payment are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short term and low value leases, the Company recognises the lease payments as an operating expense on a straight line basis over the lease term.

#### **NOTE 2 : Use of Estimates and Judgments**

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 3 : Property, Plant and Equipment**

Particulars	Land (Freehold)	Land (Leasehold)	Building & Premises	Plant & Machinery	Handling Equipments	Pollution Control Equipments	Laboratory Equipments	R&D Equipments	Plant - Utilities	Electrical Installations	Furniture & Fixtures	Office Equipments	Computers	Networking Instruments	Air conditioning units	Vehicles	Total	Capital Work in Progress	
<b>Year ended March 31, 2019</b>																			
<b>Gross carrying amount</b>																			
Opening gross carrying amount as at April 1, 2018	1,804.37	2,229.53	17,356.54	19,625.74	1,301.45	375.28	9,365.38	1,942.64	6,435.31	2,962.18	2,089.43	633.32	1,351.32	43.83	3,509.74	271.25	<b>71,297.31</b>	<b>7,577.64</b>	
Additions	-	-	56.06	485.74	15.61	-	335.82	-	123.23	7.80	37.97	28.96	251.26	-	12.12	-	<b>1,354.57</b>	<b>7,298.16</b>	
Assets capitalised during the year from CWIP	-	23.71	275.66	299.31	0.71	-	34.14	-	89.01	19.08	3.45	-	0.51	-	7.32	-	<b>752.90</b>	<b>(752.90)</b>	
Disposals	-	(413.37)	-	(30.46)	(0.17)	-	(17.53)	-	(8.34)	-	-	(2.78)	-	-	(0.90)	(23.58)	<b>(497.13)</b>	-	
<b>Closing gross carrying amount</b>	<b>1,804.37</b>	<b>1,839.87</b>	<b>17,688.26</b>	<b>20,380.33</b>	<b>1,317.60</b>	<b>375.28</b>	<b>9,717.81</b>	<b>1,942.64</b>	<b>6,647.55</b>	<b>2,980.72</b>	<b>2,130.85</b>	<b>659.50</b>	<b>1,603.09</b>	<b>43.83</b>	<b>3,528.28</b>	<b>247.67</b>	<b>72,907.65</b>	<b>14,122.90</b>	
<b>Accumulated depreciation</b>																			
Opening accumulated depreciation	-	213.04	4,423.30	6,450.60	576.30	290.36	3,803.68	1,767.92	2,844.05	1,969.26	1,340.12	508.51	1,124.74	42.51	1,726.32	105.58	<b>27,186.29</b>	-	
Depreciation charge during the year	-	26.86	573.97	1,398.76	71.03	10.95	887.50	19.41	442.21	159.41	129.07	38.95	137.17	0.06	219.46	26.30	<b>4,141.11</b>	-	
Disposals	-	(12.96)	-	(28.88)	(0.13)	-	(15.03)	-	(6.31)	-	-	(2.64)	-	-	(0.62)	(14.94)	<b>(81.51)</b>	-	
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>226.94</b>	<b>4,997.27</b>	<b>7,820.48</b>	<b>647.20</b>	<b>301.31</b>	<b>4,676.15</b>	<b>1,787.33</b>	<b>3,286.26</b>	<b>2,122.36</b>	<b>1,469.19</b>	<b>544.82</b>	<b>1,261.91</b>	<b>42.57</b>	<b>1,945.16</b>	<b>116.94</b>	<b>31,245.89</b>	<b>-</b>	
<b>Net carrying amount</b>	<b>1,804.37</b>	<b>1,612.93</b>	<b>12,690.99</b>	<b>12,559.85</b>	<b>670.40</b>	<b>73.97</b>	<b>5,041.66</b>	<b>155.31</b>	<b>3,361.29</b>	<b>858.36</b>	<b>661.66</b>	<b>114.68</b>	<b>341.18</b>	<b>1.26</b>	<b>1,583.12</b>	<b>130.73</b>	<b>41,661.76</b>	<b>14,122.90</b>	
<b>Year ended March 31, 2020</b>																			
<b>Gross carrying amount</b>																			
Opening gross carrying amount	1,804.37	1,839.87	17,688.26	20,380.33	1,317.60	375.28	9,717.81	1,942.64	6,647.55	2,980.72	2,130.85	659.50	1,603.09	43.83	3,528.28	247.67	<b>72,907.65</b>	<b>14,122.90</b>	
Additions	-	-	150.37	439.35	22.13	36.49	806.79	-	219.66	8.50	59.33	61.72	173.35	-	18.83	6.86	<b>2,003.38</b>	<b>1,346.16</b>	
Assets capitalised during the year from CWIP	-	-	4,827.27	5,625.46	12.28	508.46	40.30	-	2,024.86	1,006.18	162.05	6.68	78.09	-	444.94	-	<b>14,736.57</b>	<b>(14,736.57)</b>	
Disposals	-	-	-	(11.68)	-	-	(39.35)	-	(19.02)	-	-	(0.58)	-	-	(34.82)	(7.48)	<b>(112.93)</b>	<b>-</b>	
<b>Closing gross carrying amount</b>	<b>1,804.37</b>	<b>1,839.87</b>	<b>22,665.90</b>	<b>26,433.46</b>	<b>1,352.01</b>	<b>920.23</b>	<b>10,535.55</b>	<b>1,942.64</b>	<b>8,873.05</b>	<b>3,995.40</b>	<b>2,352.23</b>	<b>727.32</b>	<b>1,854.53</b>	<b>43.83</b>	<b>3,957.23</b>	<b>247.05</b>	<b>89,534.67</b>	<b>732.49</b>	
<b>Accumulated depreciation and impairment</b>																			
Opening accumulated depreciation	-	226.94	4,997.27	7,820.48	647.20	301.31	4,676.15	1,787.33	3,286.26	2,122.36	1,469.19	544.82	1,261.91	42.57	1,945.16	116.94	<b>31,245.89</b>	<b>-</b>	
Depreciation charge during the year	-	26.05	703.17	1,643.12	70.06	52.83	872.85	19.44	528.86	229.29	135.99	40.88	148.29	0.06	238.63	23.87	<b>4,733.39</b>	<b>-</b>	
Disposals	-	-	-	(9.47)	-	-	(25.99)	-	(15.76)	-	-	(0.55)	-	-	(22.54)	(5.85)	<b>(80.16)</b>	<b>-</b>	
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>252.99</b>	<b>5,700.44</b>	<b>9,454.13</b>	<b>717.26</b>	<b>354.14</b>	<b>5,523.01</b>	<b>1,806.77</b>	<b>3,795.36</b>	<b>2,351.65</b>	<b>1,605.18</b>	<b>585.15</b>	<b>1,410.20</b>	<b>42.63</b>	<b>2,161.25</b>	<b>134.96</b>	<b>35,899.12</b>	<b>-</b>	
<b>Closing net carrying amount</b>	<b>1,804.37</b>	<b>1,586.88</b>	<b>16,965.46</b>	<b>16,979.33</b>	<b>634.75</b>	<b>566.09</b>	<b>5,002.54</b>	<b>135.87</b>	<b>5,073.69</b>	<b>1,643.75</b>	<b>747.05</b>	<b>142.17</b>	<b>444.33</b>	<b>1.20</b>	<b>1,795.98</b>	<b>112.09</b>	<b>53,635.55</b>	<b>732.49</b>	
(i) <b>Capital Work in Progress</b>																			
Capital work in progress mainly comprises :																			
a. Regular Capex for new projects																			
b. Baddi Liquid project																			
(ii) <b>Property, Plant and Equipment pledged as security</b>																			
Refer to note 48 for information on Property, Plant and equipment pledged as security by the group.																			



**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 4 : Right-of-use assets**

Particulars	Plant & Machinery	Laboratory Equipments	Plant - Utilities	Software	Total
<b>Year ended March 31, 2020</b>					
<b>Gross carrying value</b>					
Opening gross carrying amount	–	–	–	–	–
Additions	242.66	141.68	157.62	0.82	542.78
Disposals	–	–	–	–	–
<b>Closing gross carrying value</b>	<b>242.66</b>	<b>141.68</b>	<b>157.62</b>	<b>0.82</b>	<b>542.78</b>
<b>Accumulated depreciation</b>					
Opening accumulated depreciation	–	–	–	–	–
Depreciation charge during the year	7.47	6.36	2.29	0.15	16.27
Disposals	–	–	–	–	–
<b>Closing accumulated depreciation</b>	<b>7.47</b>	<b>6.36</b>	<b>2.29</b>	<b>0.15</b>	<b>16.27</b>
<b>Net carrying value as at March 31, 2020</b>	<b>235.19</b>	<b>135.32</b>	<b>155.33</b>	<b>0.67</b>	<b>526.51</b>

**Note 5 : Other Intangible Assets**

Particulars	Trade Mark	Computer Software *	Technical Knowhow	ANDAs, DMFs, Dossiers	Total	Intangible Assets under development
<b>Year ended March 31, 2019</b>						
<b>Gross carrying amount</b>						
Opening gross carrying amount as at April 1, 2018	1,032.30	1,255.65	1.15	14,915.67	17,204.77	5,978.17
Additions	–	217.38	–	–	217.38	1,568.42
Intangible Assets Capitalised	–	–	–	3,126.51	3,126.51	(3,126.51)
<b>Closing gross carrying amount</b>	<b>1,032.30</b>	<b>1,473.03</b>	<b>1.15</b>	<b>18,042.18</b>	<b>20,548.66</b>	<b>4,420.08</b>
<b>Accumulated amortisation</b>						
Opening accumulated amortisation	896.40	935.21	1.09	10,606.03	12,438.73	–
Amortisation for the year	48.78	244.91	–	2,722.07	3,015.76	–
Impairment charge	–	–	–	–	–	–
<b>Closing accumulated amortisation</b>	<b>945.18</b>	<b>1,180.12</b>	<b>1.09</b>	<b>13,328.10</b>	<b>15,454.49</b>	–
<b>Net carrying amount</b>	<b>87.12</b>	<b>292.91</b>	<b>0.06</b>	<b>4,714.08</b>	<b>5,094.17</b>	<b>4,420.08</b>
<b>Year ended March 31, 2020</b>						
<b>Gross carrying amount</b>						
Opening gross carrying amount	1,032.30	1,473.03	1.15	18,042.18	20,548.66	4,420.08
Additions	–	357.70	–	–	357.70	1,600.91
Intangible Assets Capitalised	–	–	–	1,683.09	1,683.09	(1,683.09)
<b>Closing gross carrying amount</b>	<b>1,032.30</b>	<b>1,830.73</b>	<b>1.15</b>	<b>19,725.27</b>	<b>22,589.45</b>	<b>4,337.90</b>
<b>Accumulated amortisation</b>						
Opening accumulated amortisation	945.18	1,180.12	1.09	13,328.10	15,454.49	–
Amortisation for the year	25.97	229.09	0.06	1,789.97	2,045.09	–
Impairment for the year (**)	–	–	–	286.84	286.84	–
<b>Closing accumulated amortisation</b>	<b>971.15</b>	<b>1,409.21</b>	<b>1.15</b>	<b>15,404.91</b>	<b>17,786.42</b>	–
<b>Closing net carrying amount</b>	<b>61.15</b>	<b>421.52</b>	<b>–</b>	<b>4,320.36</b>	<b>4,803.03</b>	<b>4,337.90</b>

\* Computer software also consists of capitalised development costs being an internally generated intangible asset.

\*\* Based on management assessment of prevailing market conditions and technical aspects, impairment charge of ₹ 286.84 lakhs has been included under depreciation, amortisation and impairment expense in the Statement of Profit and Loss Account

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**

(All amounts in INR lakhs, unless otherwise stated)

**Note 6(a) : Non Current Financial Investments**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
<b>Unquoted (at Cost) :</b>		
<b>Non-Trade Investment</b>		
<b>Investments in Equity Instruments</b>		
<b>Other than Subsidiary Companies</b>		
(i) Shivalik Solid Waste Management Ltd. Baddi [20,000 Shares of ₹ 10 each, (Previous Year 20,000 Shares of ₹ 10 each)]	<b>2.00</b>	2.00
(ii) Saraswat Co-op. Bank Ltd. [1,000 ordinary shares of ₹ 10 each, (Previous Year 1,000 ordinary shares of ₹ 10 each)]	<b>0.10</b>	0.10
<b>Total, Non Current Financial Investments</b>	<b>2.10</b>	<b>2.10</b>

**Note 6(b) : Current Financial Investments**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
<b>Unquoted : (at cost)</b>		
National Spot Exchange	<b>462.90</b>	462.90
<b>Total</b>	<b>462.90</b>	<b>462.90</b>
Less : Provision for diminution in value of investment	<b>(462.90)</b>	(462.90)
<b>Total, Current Financial Investments</b>	<b>-</b>	<b>-</b>

**Note 7 : Non Current Financial Assets - Loans**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
<u>Unsecured, Considered Good</u>		
Loan to Employees	<b>99.87</b>	125.62
<b>Total, Non Current Financial Assets - Loans</b>	<b>99.87</b>	<b>125.62</b>

**Note 8 : Non Current Other Financial Assets**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Deposit - Others	<b>325.41</b>	281.88
Tender Deposits	<b>84.73</b>	72.23
Deposit - Group Insurance	<b>0.11</b>	0.11
Margin money	<b>163.79</b>	153.33
Deposit With OPC Asset Solutions	<b>14.12</b>	-
<b>Total, Non Current Other Financial Assets</b>	<b>588.16</b>	<b>507.55</b>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 9 : Deferred Tax Assets (Net)**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Mat Credit Entitlement	5,677.65	5,291.84
<u>Deferred Tax (Net)</u>		
Deferred Tax Liability		
On fiscal allowances on fixed assets	(4,216.67)	(3,736.69)
	(4,216.67)	(3,736.69)
Deferred Tax Assets		
i) On employee benefit obligations	1,712.98	1,503.43
ii) On provision for doubtful debts	254.30	330.65
iii) On provision for doubtful advances	161.76	161.76
	2,129.04	1,995.84
<b>Total, Deferred Tax Assets (Net)</b>	<b>3,590.02</b>	<b>3,550.99</b>

**Movement in Deferred Tax Assets (Net)**

<i>Particulars</i>	<i>MAT Credit Entitlement</i>	<i>Deferred Tax Assets</i>				<i>Deferred Tax Liabilities</i>		<i>Net Total</i>
		<i>Tax Losses</i>	<i>Employee benefit obligation</i>	<i>Provisions</i>	<i>Total</i>	<i>Property, Plant and equipment and investment property</i>	<i>Total</i>	
<b>At April 1, 2018</b>	5,620.74		1,239.54	301.21	1,540.75	4,029.85	4,029.85	3,131.64
(Charged)/credited:								
to profit or loss	(79.23)		235.69	191.19	426.88	(293.16)	(293.16)	640.81
to other comprehensive income	–		28.21	–	28.21	–	–	28.21
to Deferred tax on basis adjustment	(249.67)		–	–	–	–	–	(249.67)
<b>At March 31, 2019</b>	<b>5,291.84</b>	<b>–</b>	<b>1,503.44</b>	<b>492.40</b>	<b>1,995.84</b>	<b>3,736.69</b>	<b>3,736.69</b>	<b>3,550.99</b>
(Charged)/credited:								
to profit or loss	385.81		110.84	(76.34)	34.50	479.98	479.98	(59.67)
to other comprehensive income	–		98.70	–	98.70	–	–	98.70
to Deferred tax on basis adjustment	–		–	–	–	–	–	–
<b>At March 31, 2020</b>	<b>5,677.65</b>	<b>–</b>	<b>1,712.98</b>	<b>416.06</b>	<b>2,129.04</b>	<b>4,216.67</b>	<b>4,216.67</b>	<b>3,590.02</b>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 10 : Income Tax Assets (Net)**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Opening balance	942.91	338.70
Add : Taxes paid (net)	375.25	354.54
Less : Current Tax payable for the year	(385.81)	–
Add / Less : Assessment completed / adjustments	–	249.67
<b>Closing balance</b>	<b>932.35</b>	<b>942.91</b>

The following table provides the details of income tax assets and liabilities as of March 31, 2020 and March 31, 2019

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Income Tax Assets	932.35	942.91
Income Tax Liabilities	–	–
<b>Closing balance</b>	<b>932.35</b>	<b>942.91</b>

**Note 11 : Other Non Current Assets**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Capital Advance	770.34	774.84
Pre-Paid Expenses	4.17	2.77
Sales Tax Receivable	814.69	782.12
Advance - Others	2.95	2.95
<b>Total, Other Non Current Assets</b>	<b>1,592.15</b>	<b>1,562.68</b>

**Note 12 : Inventories**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
<u>Inventories</u>		
Raw and Packing Materials	11,938.16	10,254.23
Work in Progress	2,636.94	2,492.39
Finished Goods	4,491.70	3,729.42
Stock in Trade	1,011.80	1,113.60
Stores and Spares	753.06	755.42
<b>Total, Inventories</b>	<b>20,831.66</b>	<b>18,345.06</b>

**Amounts recognised in profit or loss**

Provision for write-downs of inventories amounted to INR 1,325.10 lakhs (March 31, 2019 – INR 1,188.15 lakhs). These were recognised as an expense during the year and included in changes in value of inventories of work-in-progress, stock-in-trade and finished goods in statement of profit and loss.

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 13 : Trade Receivables**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
<b>Trade receivables</b>		
<u>Unsecured</u>		
Debts outstanding for more than six months from the date they are due for payment		
Considered Good	5,783.60	5,432.06
Considered Doubtful	727.74	946.23
	<b>6,511.34</b>	6,378.29
Less: Provision for doubtful debts	(727.74)	(946.23)
	<b>5,783.60</b>	5,432.06
Other Debts - Considered Good	15,230.79	14,151.66
<b>Total, Trade receivables</b>	<b>21,014.39</b>	<b>19,583.72</b>
Current Portion	21,014.39	19,583.72
Non-current Portion	—	—

**Break-up of security details**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Secured, considered good	—	—
Unsecured, considered good	21,014.39	19,583.72
Considered Doubtful	727.74	946.23
<b>Total</b>	<b>21,742.13</b>	<b>20,529.95</b>
Allowance for doubtful trade receivables	(727.74)	(946.23)
<b>Total, Trade receivables</b>	<b>21,014.39</b>	<b>19,583.72</b>

Refer Note 46 for information about credit risk and market risk of trade receivables.

**Note 14 : Cash and Cash Equivalents**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
<b>Cash and Cash Equivalents</b>		
(i) Cash on hand	11.06	9.25
(ii) Balances with Banks		
In Current Accounts	2,005.43	995.97
In EEFC Accounts	295.02	184.24
In Margin Accounts	—	52.38
In Fixed Deposit	64.70	837.84
<b>Total, Cash and Cash Equivalents</b>	<b>2,376.21</b>	<b>2,079.68</b>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 15 : Bank Balances Other than Cash & Cash Equivalents**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
In Earmarked Accounts		
Unpaid Dividend Accounts	27.66	30.70
Margin Accounts	1,389.22	1,515.63
<b>Total, Bank Balances Other than Cash &amp; Cash Equivalents</b>	<b>1,416.88</b>	<b>1,546.33</b>

**Note 16 : Current Financial Assets - Loans**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
<u>Unsecured, Considered Good</u>		
Loan to Employees	38.64	43.23
<b>Total, Current Financial Assets - Loans</b>	<b>38.64</b>	<b>43.23</b>

**Note 17 : Current Financial Assets - Others**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Tender Deposits	71.89	14.15
Mark to Market Gain (Net) on financial instruments	299.74	997.70
Insurance Claim Receivable	–	3.12
Franking Advance	0.15	0.31
<b>Total, Current Financial Assets - Others</b>	<b>371.78</b>	<b>1,015.28</b>

**Note 18 : Other Current Assets**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Advances to Suppliers	1,142.89	1,020.58
Share Application Money	–	0.90
Pre-paid Expenses	536.66	534.95
Employee Advances	97.33	45.45
Receivable - Others	21.72	18.16
Receivable From OPC Assets	53.26	–
Balance with Statutory / Government Authorities	8,408.96	9,571.88
<b>Total, Other Current Assets</b>	<b>10,260.82</b>	<b>11,191.92</b>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 19 : Equity Share Capital**

Particulars	March 31, 2020	March 31, 2019
<b>Authorised</b>		
12,50,00,000 Equity Shares of ₹ 2/- each (Previous Year 12,50,00,000 Equity Shares of ₹ 2/- each)	<u>2,500.00</u>	<u>2,500.00</u>
<b>Issued, Subscribed and Paid up:</b>		
9,21,50,355 Equity Shares of ₹ 2/- each (Previous year 9,21,50,355 Equity Shares of ₹ 2/-each) fully paid up.	<u>1,843.01</u>	<u>1,843.01</u>

A) Reconciliation of number of ordinary shares outstanding	March 31, 2020 Equity Shares		March 31, 2019 Equity Shares	
	Number	(₹ lakhs)	Number	(₹ lakhs)
Shares outstanding at the beginning of the year	9,21,50,355	1,843.01	9,21,50,355	1,843.01
Less :Adjustments	-	-	-	-
Add: Issue of Bonus shares	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<u>9,21,50,355</u>	<u>1,843.01</u>	<u>9,21,50,355</u>	<u>1,843.01</u>

B) Details of Shares held by each shareholder holding more than 5% shares	March 31, 2020		March 31, 2019	
	No of Shares held @ ₹ 2/- per share	% holding in that class of Shares	No of Shares held @ ₹ 2/- per share	% holding in that class of Shares
<u>Equity Shares with voting rights :</u>				
i) Spa Holdings Pvt Ltd	1,83,35,000	19.90%	1,83,35,000	19.90%
ii) Shanteri Investment Pvt Ltd	1,57,71,755	17.12%	1,57,71,755	17.12%
iii) Aditi Panandikar	55,59,013	6.03%	55,59,013	6.03%
iv) Madhura Ramani	51,84,079	5.63%	51,84,079	5.63%
v) Aruna Suresh Kare	47,94,714	5.20%	47,94,714	5.20%
vi) Reliance Capital Trustee Co Ltd-a/c Nippon India Small Cap Fund	60,97,774	6.62%	26,22,001	2.85%

**C) Terms/rights attached to equity shares**

The company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. All equity shares of the Company rank pari passu in all respects including the right to dividend. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2020, the amount of ₹ 0.30 per share on the face value of ₹ 2 is proposed to the equity shareholders of the company (Previous year - ₹ 0.30 declared and paid as Final dividend to the equity shareholders of the Company).

In the event of winding-up, subject to the rights of holders of shares issued upon special terms and conditions, the holders of equity shares shall be entitled to receive remaining assets, if any, in proportion to the number of shares held at the time of commencement of winding-up.

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 20 : Other Equity**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Capital Reserve	0.02	0.02
Securities Premium	6,420.93	6,420.93
Foreign Currency Monetary Item Translation Difference a/c	–	–
General Reserve	25,817.64	25,817.64
Retained Earnings	33,875.34	31,980.64
<b>Total, Other Equity</b>	<b>66,113.93</b>	<b>64,219.23</b>

(i) **Capital Reserve**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Opening Balance	0.02	0.02
Additions	–	–
<b>Closing balance</b>	<b>0.02</b>	<b>0.02</b>

(ii) **Securities Premium**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Opening Balance	6,420.93	6,420.93
Additions	–	–
<b>Closing balance</b>	<b>6,420.93</b>	<b>6,420.93</b>

(iii) **Foreign Currency Monetary Item Translation Difference a/c**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Opening Balance	–	(0.34)
Transactions during the year	–	0.34
<b>Closing balance</b>	<b>–</b>	<b>–</b>

(iv) **General Reserve**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Opening balance	25,817.64	25,817.64
Add : Transferred from Surplus in Statement of Profit & Loss	–	–
<b>Closing balance</b>	<b>25,817.64</b>	<b>25,817.64</b>



**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 20 : Other Equity: Contd.**

(v) **Retained Earnings**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Opening balance	31,980.64	33,416.85
Add : Net Profit / (Loss) for the Year	2,411.74	(290.40)
Add : Other Comprehensive Income	(183.76)	(52.53)
Amount available for appropriation	34,208.62	33,073.92
Less : Retained Earnings	–	17.64
Less : Dividend paid	(276.45)	(921.50)
Less : Dividend Tax	(56.83)	(189.42)
<b>Closing balance</b>	<b>33,875.34</b>	<b>31,980.64</b>

**Nature of reserves**

(a) **Capital reserve**

The Group recognises profit and loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

(b) **Securities premium**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(c) **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 a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

(d) **Foreign currency translation reserve**

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income, net of taxes and is presented within equity in the foreign currency translation reserve.

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 21 : Non-Current Financial Liabilities - Borrowings**

Particulars	Terms of Repayment & Securities	March 31, 2020	March 31, 2019
<b>Secured</b>			
Term Loans from Banks			
Foreign currency loan -ECB / FCNR(B)	Note No. 21 (i)	6,361.87	8,757.75
Indian rupee loan	Note No. 21 (ii)	9,206.16	9,519.21
Vehicle Loan from Bank	Note No. 21 (iii)	5.05	14.44
Interest accrued but not due	Note No. 26	109.58	118.71
<b>Total, Non Current Financial Liabilities - Borrowings</b>		<b>15,682.66</b>	<b>18,410.11</b>
Less: Current maturities of long-term debt (included in note 26)		(5,880.07)	(5,425.69)
Less: Interest accrued (included in note 26)		(109.58)	(118.71)
<b>Total, Non-current borrowings (as per balance sheet)</b>		<b>9,693.01</b>	<b>12,865.71</b>

Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured long term borrowings.

Note No.	Name of the Bank	Terms of Repayment & Securities
21 (i)	Citi Bank	
	Amount Sanctioned	USD 74,73,841.60
	Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly instalments of USD 467,115.10 each commencing from December 19, 2017 ending on September 19, 2021. The amount is payable in the month of March, June, September and December of each year.
	Rate of Interest	6.70 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement).
	Nature of Security	The loan is secured by (a) First Exclusive charge over the entire moveable fixed assets of the Company both present and future and equitable mortgage of Land and Building situated at HB : 211, Village : Katha, P.O. Baddi, Tehsil Baddi, Dist. Solan, Himachal Pradesh, 173 205 (b) First and Exclusive charge over the Entire moveable Fixed Assets of the Company both present and future situated at Plant I, Village Katha, Baddi, Himachal Pradesh, Pin 173 205.
21 (i)	Standard Chartered Bank	
	Amount Sanctioned	GBP 61,00,000.00
	Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly instalments of GBP 381,250 each commencing from December 29, 2017 ending on September 29, 2021. The amount is payable in the month of March, June, September and December of each year.
	Rate of Interest	3.40 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement).
	Nature of Security	The loan is secured by equitable mortgage of Land and building situated at A-26, A-27, A-28/1, MIDC Industrial Area, Patalganga, Village Kaire, Tal. Khalapur, Dist. Raigad, Maharashtra - 410 220. The loan is secured by First Exclusive charge over the entire moveable fixed assets of the Company both present and future situated at A-26, A-27, A-28/1, A-28/2 MIDC Industrial Area, Patalganga, Village Kaire, Tal. Khalapur, Dist. Raigad, Maharashtra - 410 220. Exclusive charge on moveable fixed assets of the Company created out of the Loan at A - 27, MIDC Industrial Area, Patalganga, Village Kaire, Tal. Khalapur, Dist. Raigad, Maharashtra.- 410 220.

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 21 : Non-Current Financial Liabilities - Borrowings: Contd.**

Note No.	Name of the Bank	Terms of Repayment & Securities
21 (i)	Standard Chartered Bank	
	Amount Sanctioned	Euro 30,00,000.00
	Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly instalments of Euro 1,87,500 each commencing from January 13, 2020 ending on October 11, 2023. The amount is payable in the month of January, April, July and October of each year.
	Rate of Interest	7.61 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement).
	Nature of Security	The loan is secured by equitable mortgage of Land and building situated at A-26, A-27, A-28/1, MIDC Industrial Area, Patalganga, Village Kaire, Tal. Khalapur, Dist. Raigad, Maharashtra - 410 220. The loan is secured by First Exclusive charge over the entire moveable fixed assets of the Company both present and future situated at A-26, A-27, A-28/1, A-28/2 MIDC Industrial Area, Patalganga, Village Kaire, Tal. Khalapur, Dist. Raigad, Maharashtra - 410 220. Exclusive charge on moveable fixed assets of the Company created out of the Loan at A - 27, MIDC Industrial Area, Patalganga, Village Kaire, Tal. Khalapur, Dist. Raigad, Maharashtra.- 410 220.
21 (ii)	Saraswat Co Op Bank Ltd.	
	Amount Sanctioned	₹ 50,00,00,000/-
	Terms of Repayment	The Term Loan is Repayable in 59 monthly equal instalments of ₹ 83,33,000/- each and 60th instalment of ₹ 83,53,000/- commencing from January 14, 2020, ending on December 14, 2024
	Rate of Interest	8.05% p.a.
	Nature of Security	Primary : First and Exclusive Charge on moveable assets at B-20 MIDC, Waluj, Aurangabad. 1st pari passu charge on moveable assets at L-14, Verna Industrial Area, Verna, Salcete, Goa – 403 722 & L-32/33/34, Verna Industrial Area, Verna, Salcete, Goa – 403 722
21 (ii)	Saraswat Co Op Bank Ltd.	
	Amount Sanctioned	₹ 35,00,00,000/-
	Terms of Repayment	The o/s Term Loan is Repayable in 20 equal monthly instalments of ₹ 64,97,750/- each and last instalment of ₹ 64,93,205/- ending on December 19, 2021.
	Rate of Interest	9.15% p.a.
	Nature of Security	Primary : First and Exclusive charge over the entire moveable fixed assets of the Company at Plot No. R - 92 & R - 93, T. T. C. Industrial Area, Rabale, MIDC Thane Belapur Road, Navi Mumbai - 400 701.

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 21 : Non-Current Financial Liabilities - Borrowings: Contd.**

Note No.	Name of the Bank	Terms of Repayment & Securities
21 (ii)	Saraswat Co Op Bank Ltd. Amount Sanctioned Amount Availed Terms of Repayment Rate of Interest Nature of Security	₹ 38,00,00,000/- ₹ 23,00,00,000/- The Term Loan is Repayable in 59 monthly equal instalments of ₹ 38,33,333/- each and 60th instalment of ₹ 38,33,353/- commencing from May, 2021, ending on April, 2026. 8.75% p.a. Primary : First and Exclusive Charge on moveable assets at B-20 MIDC, Waluj, Aurangabad. 1st pari passu charge on moveable assets at L-14, Verna Industrial Area, Verna, Salcete, Goa – 403 722 & L-32/33/34, Verna Industrial Area, Verna, Salcete, Goa – 403 722.
21 (ii)	Citi Bank Amount Sanctioned Terms of Repayment Rate of Interest Nature of Security	₹ 60,00,00,000/- The O/s Term Loan is Repayable in 2 equal quarterly instalments of ₹ 3,95,83,333/- each. Amount is due on April 15, 2020 and July 15, 2020. 9.50 % p.a. The loan is secured by Parri Passu charge on Present and future moveable fixed assets located at Goa Plant L-14, Verna Industrial Area, Verna, Salcete, Goa – 403 722 & L- 32 /33/34, Verna Industrial Area, Verna, Salcete, Goa – 403 722.
21 (iii)	Vehicle Loan Amount Sanctioned Terms of Repayment Rate of Interest Nature of Security	₹ 41,00,000/- The Loan is Repayable in 60 equated monthly instalments (EMI) of ₹ 86,530/- each (including principal and interest) commencing from October 07, 2015 ending on September 07, 2020 9.71 % p.a. The loan is secured by hypothecation of the vehicle which has been purchased against the Loan.

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 22 : Non Current Other Financial Liabilities**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
<b>Unsecured</b>		
Security Deposit	732.89	727.53
Deposit Others	0.25	4.42
Lease Liability (refer note no. 39)	549.10	–
<b>Total, Non Current Other Financial Liabilities</b>	<b>1,282.24</b>	<b>731.95</b>

**Note 23 : Non Current Provisions**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
<b>Provision for Employee Benefit</b>		
Leave Obligations (refer note no. 38)	986.21	703.46
Gratuity (refer note no. 38)	1,342.47	891.50
<b>Total, Non Current Provisions</b>	<b>2,328.68</b>	<b>1,594.96</b>

**Note 24 : Current Financial Liabilities - Borrowings**

<i>Particulars</i>	<i>Terms of Repayment &amp; Securities</i>	<i>31 March 2020</i>	<i>31 March 2019</i>
<b>Secured (Refer Note below)</b>			
Loans from Banks			
Cash Credit Facility	Note No. 24 (i)	2,062.76	2,969.41
Packing Credit in Rupee	Note No. 24 (iii)	1,000.00	–
Working Capital Demand Loan	Note No. 24 (iv)	520.68	1,000.00
Buyer's Credit	Note No. 24 (vi)	96.37	–
Interest accrued		54.61	43.40
<b>Unsecured</b>			
Loans from Banks			
Foreign Currency Export Packing Credit	Note No. 24 (ii)	1,013.44	2,626.56
Packing Credit in Rupee	Note No. 24 (iii)	2,000.00	–
Working Capital Demand Loan	Note No. 24 (iv)	2,400.00	1,400.00
Short Term Loan	Note No. 24 (v)	1,450.00	3,300.00
<b>Total, Current borrowings</b>		<b>10,597.86</b>	<b>11,339.37</b>

Note : Cash Credit, Packing Credit in Rupee, Buyer's Credit and Working Capital Demand Loan are part of Working Capital facilities availed from various Banks and are secured by First parri passu charge by hypothecation of all stocks and book debts.

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 24 : Current Financial Liabilities - Borrowings: Contd.**

Note No.	Type of Loan	Repayment and Rate of Interest
24 (i)	Cash Credit Facility	Is repayable on demand and carries interest @ 8.65 % p.a. to 10.15 % p.a. (Previous year @ 8.25 % p.a. to 10.15 % p.a.)
24 (ii)	Foreign Currency Export Packing Credit	Is payable on completion of the tenure. It carries interest @ LIBOR + 1% BPS to 1.70% BPS. (Previous year LIBOR + 1% BPS to 1.80% BPS)
24 (iii)	Packing Credit in Rupee	Is payable on completion of the tenure. It carries interest @ 7.75% p.a. to 8.50% p.a. (Previous Year @ 7.50% p.a. to 8.20% p.a.)
24 (iv)	Working Capital Demand Loan	Is repayable on demand and carries interest @ 7.50% p.a. to 8.75% p.a. (Previous year 7.70% p.a. to 8.75% p.a.)
24 (v)	Short Term Loan	Is repayable on demand and carries interest @ 7.75% p.a. to 9.00% p.a (Previous year 8.15% p.a. to 8.80% p.a.)
24 (vi)	Buyer's Credit	Is repayable on completion of the tenure. The interest payable on the facility is LIBOR + 0.75% BPS to 1.50% BPS (Previous year Nil)

**Note 25 : Trade Payables**

Particulars	March 31, 2020	March 31, 2019
Trade payables		
Total Outstanding Dues of Micro and Small Enterprises	12.06	18.38
Total Outstanding Dues of Creditors Other Than Micro and Small Enterprises	16,548.31	17,053.89
<b>Total, Trade Payables</b>	<b>16,560.37</b>	<b>17,072.27</b>

**Note 26 : Current Other Financial Liabilities**

Particulars	March 31, 2020	March 31, 2019
<b>Secured</b>		
Term Loans from Banks		
Indian Rupee loan	2,571.36	2,696.38
Vehicle Loan	5.05	10.38
Foreign Currency loan -ECB / FCNR(B)	3,303.67	2,718.92
Interest accrued	109.58	118.71
Unpaid Dividends	27.66	30.70
<b>Unsecured</b>		
Deposit Payable - Others	0.75	0.75
Lease Liability (refer note no. 39)	51.75	-
Other Current Liabilities	6,320.41	5,358.81
<b>Total, Current Other financial liabilities</b>	<b>12,390.23</b>	<b>10,934.65</b>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 27 : Current Provisions**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
<b>Provision for Employee Benefit</b>		
Leave Obligations (refer note no. 38)	310.44	191.52
Gratuity (refer note no. 38)	874.74	774.12
Bonus	1,101.68	1,031.32
<b>Others</b>		
Sales Return	2,872.52	2,428.81
<b>Total, Provisions</b>	<b>5,159.38</b>	<b>4,425.77</b>

- (i) Information about individual provisions and significant estimates

**Sales Returns**

When a customer has a right to return the product within a given period, the company recognises a provision for returns INR 1,933.72 lakhs as at March 31, 2020 (March 31, 2019 - INR 2,023.27 lakhs). This is measured on the previous history of sales return. Revenue is adjusted for the expected value of the returns and cost of sales & Inventory are adjusted for the value of the corresponding goods to be returned.

- (ii) Movements in provisions for Sales Return

Movements in each class of provision during the financial year, are set out below:

<i>Particulars</i>	<i>Sales Return</i>
<b>As at April 1, 2019</b>	<b>2,428.81</b>
Charged/(credited) to profit or loss	
provision for current year	1,933.72
provision of earlier years utilised as against returns of current year	(1,490.01)
<b>As at March 31, 2020</b>	<b>2,872.52</b>
<b>As at April 1, 2018</b>	2,042.33
Charges/(credited) to profit or loss	
Provision for Current Year	2,023.27
Provision for earlier years utilized as against returns of current year	(1,636.79)
<b>As at March 31, 2019</b>	<b>2,428.81</b>

**Note 28 : Other Current Liabilities**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Advance Received	642.97	160.64
Car Sale Advance	–	4.15
Statutory Dues	547.83	613.27
<b>Total, Other Liabilities</b>	<b>1,190.80</b>	<b>778.06</b>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 29 : Revenue from operations**

<i>Particulars</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
Sale of Product		
Domestic Sales	71,446.85	63,807.85
Export Sales	29,737.07	25,463.96
	<b>1,01,183.92</b>	89,271.81
Sale of Services		
Export Services	5,694.42	3,117.56
Domestic Services	1,119.20	1,818.74
	<b>6,813.62</b>	4,936.30
Other Operating Revenue		
Exchange Gain/(Loss) (Net) (other than considered in Finance Cost)	1,524.02	1,647.28
Export Incentives	1,100.61	954.50
Scrap Sale	35.94	34.85
	<b>2,660.57</b>	2,636.63
<b>Total, Revenue from Operations (Gross)</b>	<b>1,10,658.11</b>	<b>96,844.74</b>

Note : As per Ind AS 115, revenue is reported net of GST.

**Critical judgements in calculating amounts**

When a customer has a right to return the product within a given period, the company recognises a provision for returns INR 1,933.72 lakhs as at March 31, 2020 (March 31, 2019 - INR 2,023.27 lakhs). This is measured on the previous history of sales return. Revenue is adjusted for the expected value of the returns and cost of sales & Inventory are adjusted for the value of the corresponding goods to be returned.

**Additional disclosures as required by Ind AS 115**

**Disaggregate revenue information**

The table below presents disaggregated revenue information from contracts with customers for the year ended March 31, 2020. The company believes that this disaggregation reasonably depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.



**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 29 : Revenue from operations: Contd.**

<i>Particulars</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
<b>Formulation :</b>		
Domestic	<b>68,624.09</b>	60,619.39
Export		
Regulated Market :	<b>21,753.96</b>	16,085.24
Emerging Market :	<b>7,871.94</b>	7,264.63
Export, Total	<b>29,625.90</b>	23,349.87
<b>Formulation, Total (a)</b>	<b>98,249.99</b>	<b>83,969.26</b>
API (b)	<b>8,600.61</b>	8,222.19
CRO, Analytical Services & Others(c)	<b>1,146.94</b>	2,016.66
<b>Gross Sales (Net of Returns), Total (a + b + c)</b>	<b>1,07,997.54</b>	<b>94,208.11</b>
Other Operating Revenue	<b>2,660.57</b>	2,636.63
<b>Income from Operation, Total</b>	<b>1,10,658.11</b>	<b>96,844.74</b>

**Performance obligations**

**a. Significant payment terms**

In case of Domestic Sales, payment terms range from 7 days to 90 days based on geography and customers. In case of Export Sales these are either DP at sight, Document against acceptance - 30 days to 120 days, Letters of Credit - 30 days to 120 days.

**b. Obligations for returns, refunds and similar obligations**

In case of domestic sales, sales return may take place anytime before / after the expiry of goods.

**Note 30 : Other Income**

<i>Particulars</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
Interest Received	<b>123.99</b>	154.84
Sundry Receipts	<b>109.03</b>	348.85
Sundry Balance w/back	<b>7.88</b>	110.29
Dividend Received	<b>0.02</b>	0.32
Profit on Sale of Fixed Assets	<b>2.63</b>	0.31
<b>Total, Other income</b>	<b>243.55</b>	<b>614.61</b>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 31a : Cost of Materials Consumed**

<i>Particulars</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
Raw / Packing Material		
Opening Stock	10,254.23	9,956.27
Add : Purchases	27,952.15	24,314.52
Less : Closing Stock	(11,938.16)	(10,254.23)
	<b>26,268.22</b>	<b>24,016.56</b>

**Note 31b : Purchase of Stock in Trade**

<i>Particulars</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
Purchase of Stock in Trade	7,579.66	6,676.57
<b>Total, Purchase of Stock in Trade</b>	<b>7,579.66</b>	<b>6,676.57</b>

**Note 31c : Changes in Inventories**

<i>Particulars</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
(Incr.) / Decr. in Stk. of FG, Stock in Trade & WIP :		
Inventories at the beginning of the year		
Op.Stock - Finished Goods	3,729.42	4,542.65
Op.Stock - Stock in Trade	1,113.60	1,346.09
Op.Stock - WIP	2,492.39	2,778.85
	<b>7,335.41</b>	<b>8,667.59</b>
Inventories at the end of the year		
Cl.Stock - Finished Goods	(4,491.70)	(3,729.42)
Cl.Stock - Stock in Trade	(1,011.80)	(1,113.60)
Cl.Stock - WIP	(2,636.94)	(2,492.39)
	<b>(8,140.44)</b>	<b>(7,335.41)</b>
<b>Total, Changes in Inventories</b>	<b>(805.03)</b>	<b>1,332.18</b>

**Note 32 : Employee Benefits Expense**

<i>Particulars</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
Salaries, Wages and Bonus (refer note no. 38)	21,743.73	19,529.95
Contribution to Provident and Other Funds	2,032.93	1,825.12
Staff Welfare Expenses	1,874.04	1,810.49
<b>Total, Employee benefit expense</b>	<b>25,650.70</b>	<b>23,165.56</b>

**Note 33 : Research & Development Expenses**

<i>Particulars</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
R&D Employee Cost	2,287.05	2,250.45
Other R&D Expenses	2,683.15	2,901.10
<b>Total, Research &amp; Development Expenses</b>	<b>4,970.20</b>	<b>5,151.55</b>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 34 : Depreciation and amortisation expenses**

<i>Particulars</i>	<i>Note No</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
Depreciation of Property, Plant and Equipment	3	4,733.39	4,141.11
Amortisation of Right-of-use assets	4	16.27	–
Amortisation of Intangible Assets	5	2,045.09	3,015.76
Impairment of Assets	5	286.84	–
<b>Total, Depreciation and amortisation expenses</b>		<b>7,081.59</b>	<b>7,156.87</b>

**Note 35 : Other Expenses**

<i>Particulars</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
Consumable Stores	464.14	337.61
Job Work Charges	1,025.74	940.92
Power and Fuel	3,474.62	2,848.69
Rent, Rates, Taxes	513.24	451.66
Insurance	179.56	131.33
Repairs :		
Building	156.25	158.95
Plant and Machinery	1,156.29	1,074.20
Others	1,638.38	1,442.15
	2,950.92	2,675.30
Packing and Delivery Expenses	3,320.66	3,051.90
Analytical Expenses	2,051.96	1,602.07
Turnover and Additional Tax	–	5.07
Advertising and Sales Promotion Expenses	5,214.80	3,993.40
Commission and Incentives on sales	3,713.05	2,276.75
Travelling, Conveyance and Motor Car Expenses	5,607.33	5,649.51
Legal and Professional Fees	2,654.03	1,282.68
Director's Sitting Fees	17.40	21.00
Postage, Telephone and Telex Expenses	105.84	111.16
Printing and Stationery Expenses	362.76	378.73
Payments to Auditors (refer note no. 35(a))	15.60	13.89
Loss on sale of Assets	25.29	20.65
Provision for Doubtful Debts	17.66	550.70
Investments in subsidiaries / Associates Written off	–	29.02
Bad Debts written off		
Bad Debts written off	801.68	50.31
Less : Transfer from Provision for Doubtful Debts	(236.15)	–
	565.53	50.31
Corporate Social Responsibility (refer note no. 35(b))	92.91	43.42
Miscellaneous Expenses	2,300.66	2,371.62
<b>Total, Other expenses</b>	<b>34,673.70</b>	<b>28,837.39</b>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 35 (a) : Details of payments to Auditors**

<i>Particulars</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
<b>Payment to Auditors</b>		
<b>As Auditor :</b>		
Audit Fees	7.60	6.25
Tax Audit Fees under GST	4.85	4.80
<b>In other capacities :</b>		
Company law matters	–	0.10
Certification fees	2.36	2.03
Re-imbursement of expenses	0.79	0.71
<b>Total, payment to Auditors</b>	<b>15.60</b>	<b>13.89</b>

**Note 35 (b) : Corporate social responsibility expenditure**

<i>Particulars</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
<b>Contribution to :</b>		
Promoting Education	15.78	11.89
Preventive Healthcare	–	13.95
Promoting & Development of Traditional Arts	0.50	0.10
Contribution of Free Medicine	39.85	–
Donation for Covid-19	10.00	–
Employment enhancing vocational skills	26.78	17.48
<b>Total</b>	<b>92.91</b>	<b>43.42</b>
Amount required to be spent as per Section 135 of the Act *	87.00	160.00
Amount spent during the year on		
(i) Construction/acquisition of an asset	–	–
(ii) On purposes other than (i) above	92.91	43.42

**Note 36 : Finance Cost**

<i>Particulars</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
Interest Expense	2,296.52	2,328.39
Other Financial charges	132.39	112.87
Exchange Gain / Loss (Net)	262.68	(55.19)
	<b>2,691.59</b>	<b>2,386.07</b>
Less : Amount capitalised (see note below)	(66.20)	(332.18)
<b>Total, Finance Cost</b>	<b>2,625.39</b>	<b>2,053.89</b>

Note : Finance Cost incurred on various projects being qualifying asset is capitalised in accordance with IND AS 23.

Finance cost includes element of lease arrangement note no. 39.

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 37 : Income Tax expense**

<i>Particulars</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
<b>(a) Statement of Profit and Loss :</b>		
<b>Profit or Loss section :</b>		
<b>Current Income Tax :</b>		
Current Income Tax Charge	385.81	–
Tax in respect of earlier years	–	–
<b>Total, Current Income Tax</b>	<b>385.81</b>	<b>–</b>
<b>Deferred tax section :</b>		
Origination and reversal of timing difference	445.49	(720.05)
MAT Credit Adjustments	(385.81)	79.23
<b>Total, Deferred tax expense/(benefit)</b>	<b>59.68</b>	<b>(640.82)</b>
<b>Tax expense reported in the statement of Profit and Loss</b>	<b>445.49</b>	<b>(640.82)</b>
<b>Other Comprehensive income section :</b>		
Tax related to items recognised in OCI during the year :		
Net loss/(gain) on remeasurements of defined benefit plans	(98.70)	(28.21)
<b>Tax charged to OCI</b>	<b>(98.70)</b>	<b>(28.21)</b>

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

<i>Particulars</i>	<i>Apr'19-Mar'20</i>	<i>Apr'18-Mar'19</i>
Profit / (Loss) from continuing operations before income tax expense	2,857.23	(931.22)
Profit from discontinuing operation before income tax expense		
	2,857.23	(931.22)
<b>Tax at the Indian tax rate of 34.944% (2018-2019 – 34.944%)</b>	<b>998.43</b>	<b>(325.41)</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Deduction on R&D Expenditure u/s 35(2ab)	(693.61)	(834.17)
Other items	37.21	(9.22)
Adjustments of MAT of Previous period	–	79.23
Tax losses for which no deferred income tax was recognised	103.46	448.75
<b>Income tax expense</b>	<b>445.49</b>	<b>(640.82)</b>
<b>Tax Expense as per Statement of Profit and Loss</b>	<b>445.49</b>	<b>(640.82)</b>

**Note 38 : Employee benefit obligations**

As required by IND AS 19 'Employee benefits' the disclosures are as under :

**(i) Defined benefit plans**

**a. Leave obligations**

The leave obligations cover the group's liability for sick and earned leave.

The amount of the provision of INR 310.44 lakhs (March 31, 2019 – INR 191.52 lakhs) is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months and therefore provision is made on the basis of actuarial valuation obtained.

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 38 : Employee benefit obligations: Contd.**

**b. Post-employment obligations**

**i. Gratuity**

The group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the group makes contributions to recognized funds in India. The group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

**(ii) Defined contribution plans**

**a. Provident Fund**

The group also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the period towards defined contribution plan is INR 1,408.73 lakhs (March 31, 2019 – INR 1,200.62 lakhs).

**b. Superannuation**

The company contributed INR 74.92 lakhs (March 31, 2019 - INR 69.31 lakhs) to the superannuation plan. The same has been recognized in the Statement of profit and loss account under the head employee benefit expenses.

**(iii) Balance sheet amounts – Gratuity**

The amounts recognized in the balance sheet and the movements in the net defined benefit obligation over the year are as follows :

<i>Particulars</i>	<i>Present value of obligation</i>	<i>Fair value of plan assets</i>	<i>Net amount</i>
<b>April 1, 2018</b>	<b>1,541.23</b>	<b>(269.94)</b>	<b>1,271.29</b>
Current service cost	233.54	–	233.54
Past Service Cost	–	–	–
Interest expense/(income)	121.29	(21.24)	100.05
<b>Total amount recognized in profit or loss</b>	<b>354.83</b>	<b>(21.24)</b>	<b>333.59</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	–	14.48	14.48
(Gain)/loss - Due to change in demographic assumptions	–	–	–
(Gain)/loss - Due to change in financial assumptions	15.77	–	15.77
(Gain)/loss - Due to experience	50.49	–	50.49
<b>Total amount recognized in other comprehensive income</b>	<b>66.26</b>	<b>14.48</b>	<b>80.74</b>
Employer contributions	–	(20.00)	(20.00)
Benefit payments	(176.04)	176.04	–
<b>March 31, 2019</b>	<b>1,786.28</b>	<b>(120.66)</b>	<b>1,665.62</b>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 38 : Employee benefit obligations: Contd.**

<i>Particulars</i>	<i>Present value of obligation</i>	<i>Fair value of plan assets</i>	<i>Net amount</i>
<b>April 1, 2019</b>	<b>1,786.28</b>	<b>(120.66)</b>	<b>1,665.62</b>
Current service cost	269.14	–	269.14
Past Service Cost	–	–	–
Interest expense/(income)	138.97	(9.39)	129.58
<b>Total amount recognized in profit or loss</b>	<b>408.11</b>	<b>(9.39)</b>	<b>398.72</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	–	17.97	17.97
(Gain)/loss - Due to change in demographic assumptions	(6.60)	–	(6.60)
(Gain)/loss - Due to change in financial assumptions	170.46	–	170.46
(Gain)/loss - Due to experience	100.63	–	100.63
<b>Total amount recognized in other comprehensive income</b>	<b>264.49</b>	<b>17.97</b>	<b>282.46</b>
Employer contributions	–	(129.59)	(129.59)
Benefit payments	(223.14)	223.14	–
<b>March 31, 2020</b>	<b>2,235.74</b>	<b>(18.53)</b>	<b>2,217.21</b>

The net liability disclosed above relates to funded and unfunded plans are as follows:

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Present value of funded obligations	2,235.74	1,786.28
Fair value of plan assets	(18.53)	(120.66)
<b>Deficit of funded plan</b>	<b>2,217.21</b>	<b>1,665.62</b>
Unfunded plans	–	–
<b>Deficit of gratuity plan</b>	<b>2,217.21</b>	<b>1,665.62</b>

**(iv) Post-Employment benefits (gratuity)**

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Discount rate	6.82%	7.78%
Attrition rate	For service 4 years and below 20.00% p.a. For service 5 years and above 4.00% p.a.	2.00%
Salary growth rate	5.00%	5.00%

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 38 : Employee benefit obligations: Contd.**

(v) **Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount rate	1%	1%	–	–	177.05	162.89
Discount rate	-1%	-1%	205.77	192.07	–	–
Salary growth rate	1%	1%	207.49	195.58	–	–
Salary growth rate	-1%	-1%	–	–	181.50	168.33
Attrition rate	1%	1%	23.66	42.03	–	–
Attrition rate	-1%	-1%	–	–	27.48	48.75

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(vi) **The major categories of plans assets are as follows:**

Particulars	March 31, 2020	March 31, 2019
<b>Gratuity :</b>		
<b>Unquoted</b>		
Insurance fund	18.53	120.66
<b>Total</b>	<b>18.53</b>	<b>120.66</b>

(vii) **Maturity profile of projected benefit obligation (from fund) :**

Particulars	March 31, 2020	March 31, 2019
1st following year	203.57	146.78
2nd following year	149.53	62.64
3rd following year	158.25	144.31
4th following year	170.95	106.81
5th following year	163.17	121.90
Sum of years 6 to 10	905.29	689.04
Sum of years 11 and above	2,902.83	3,582.63



**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 39 : Leases**

- (a) Following are the changes in the Carrying value of Right to Use of Assets for the year ended March 31, 2020

Particulars	Category of ROU Assets				
	Plant & Machinery	Laboratory Equipments	Plant - Utilities	Software	Total
<b>Balance as at March 31, 2019</b>	–	–	–	–	–
Additions during the year	242.66	141.68	157.62	0.82	542.78
Depreciation charge during the year	(7.47)	(6.36)	(2.29)	(0.15)	(16.27)
<b>Balance as at March 31, 2020</b>	<b>235.19</b>	<b>135.32</b>	<b>155.33</b>	<b>0.67</b>	<b>526.51</b>

The aggregate depreciation expenses on Right to Use of Assets is included under Deprecation, Amortisation and Impairment Expenses in the Statement of Profit and Loss

- (b) The following is the break-up of Current and Non-Current Lease Liabilities as at March 31, 2020

Particulars	March 31, 2020
Current Lease Liabilities (refer note no. 26)	51.75
Non Current Lease Liabilities (refer note no. 22)	549.10
<b>Total, Lease Liabilities</b>	<b>600.85</b>

- (c) Following is the movement in Lease Liabilities during the year ended March 31, 2020

Particulars	March 31, 2020
Balance at the beginning of the year	–
Additions during the year	608.36
Finance cost accrued during the year	12.28
Payment of Lease Liabilities	(19.79)
<b>Balance at the end of the year</b>	<b>600.85</b>

- (d) The following is a summary of future minimum lease rental commitments towards Finance Leases

Particulars	March 31, 2020	
	Minimum lease commitments	Present value of minimum lease commitments
Due within one year	107.11	51.75
Due in a period between one year and five years	408.28	232.34
Due after five years	407.06	316.76
<b>Total minimum lease commitments</b>	<b>922.45</b>	<b>600.85</b>
Less : Interest	(321.60)	
<b>Present value of minimum lease commitments</b>	<b>600.85</b>	

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 40 : Fair value measurement**

<i>Financial instruments by category</i>	<i>March 31, 2020</i>		<i>March 31, 2019</i>	
	<i>FVPL</i>	<i>Amortised Cost</i>	<i>FVPL</i>	<i>Amortised Cost</i>
<b>Financial Assets</b>				
Investments				
Equity instruments	<b>2.10</b>		2.10	
Trade receivables		<b>21,014.39</b>		19,583.72
Non Current Other Financial assets		<b>588.16</b>		507.55
Cash and cash equivalents		<b>2,376.21</b>		2,079.68
Bank balances other than cash and cash equivalents		<b>1,416.88</b>		1,546.33
Current Other Financial Assets		<b>371.78</b>		1,015.28
<b>Total Financial Assets</b>	<b>2.10</b>	<b>25,767.42</b>	<b>2.10</b>	<b>24,732.56</b>
<b>Financial Liabilities</b>				
Bank Borrowings		<b>26,280.52</b>		29,749.47
Non Current Other Financial Liabilities		<b>1,282.24</b>		731.95
Current Other Financial Liabilities		<b>6,400.56</b>		5,390.24
Trade Payables		<b>16,560.37</b>		17,072.27
<b>Total Financial Liabilities</b>	<b>-</b>	<b>50,523.69</b>	<b>-</b>	<b>52,943.93</b>

**Fair value hierarchy**

**Level 1** :Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

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

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

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

<i>Financial assets and liabilities measured at fair value</i>	<i>March 31, 2020</i>			<i>March 31, 2019</i>		
	<i>Level</i>			<i>Level</i>		
	<i>I</i>	<i>II</i>	<i>III</i>	<i>I</i>	<i>II</i>	<i>III</i>
<b>Financial Assets</b>						
Investments						
Equity instruments	-	<b>2.10</b>	-	-	2.10	-
<b>Total Financial Assets</b>	<b>-</b>	<b>2.10</b>	<b>-</b>	<b>-</b>	<b>2.10</b>	<b>-</b>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 41 : Capital management**

**(a) Risk management**

The group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The group monitors capital on the basis of the following gearing ratio : Net debt (total borrowings net of cash and cash equivalents) divided by Total Equity.

The group's strategy is to maintain a gearing ratio within 50%. The gearing ratios were as follows:

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Net Debt	<b>23,904.31</b>	27,669.79
Equity	<b>67,956.94</b>	66,062.24
<b>Net debt to equity ratio</b>	<b>35.2%</b>	<b>41.9%</b>

**(b) Dividends**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
<b>(i) Equity shares</b>		
Final dividend for the year ended March 31, 2019 of INR 0.30 (March 31, 2018 – INR 1.00) per fully paid share	<b>276.45</b>	921.50
<b>(ii) Dividends not recognised at the end of the reporting period</b>		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of INR 0.30 per fully paid equity share (March 31, 2019 – INR 0.30). This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	<b>276.45</b>	276.45

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 42 : Segment Information**

**(a) Description of segments and principal activities**

The group has only one reporting segment of its business i.e. Pharmaceutical, wherein the group's strategic steering committee, consisting of the chief executive officer, the chief financial officer and the manager for corporate planning, examines the group's performance both from a product and geographic perspective.

The steering committee primarily uses a measure of adjusted earnings before other income, Finance cost, tax, depreciation and amortisation (EBITDA, see below) to assess the performance of the operating segments. However, the steering committee also receives information about the segments' revenue and assets on a monthly basis.

**(b) Adjusted EBITDA**

Adjusted EBITDA excludes discontinued operations and the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as restructuring costs, impairments when the impairment is the result of an isolated, non-recurring event. It also excludes the effects of share-based payments and gains or losses on financial instruments.

Interest income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the group.

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
<b>Total adjusted EBITDA</b>	<b>12,320.66</b>	<b>7,664.93</b>

Adjusted EBITDA reconciles to profit before income tax as follows:

<i>Particulars</i>	<i>Note No</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
<b>Total adjusted EBITDA</b>		<b>12,320.66</b>	<b>7,664.93</b>
Finance costs	36	2,625.39	2,053.89
Other Income	30	(243.55)	(614.61)
Depreciation and Amortisation Expense	34	7,081.59	7,156.87
<b>Profit before income tax from continuing operations</b>		<b>2,857.23</b>	<b>(931.22)</b>

**(c) Segment revenue**

The segment revenue is measured in the same way as in the statement of profit or loss.

**Geographical :**

<i>Particulars</i>	<i>March 31, 2020</i>			<i>March 31, 2019</i>		
	<i>India</i>	<i>Outside India</i>	<i>Total</i>	<i>India</i>	<i>Outside India</i>	<i>Total</i>
Revenue from External Customers	72,566.05	35,431.49	1,07,997.54	65,626.59	28,581.52	94,208.11
Non Current Assets (*)	65,636.63	–	65,636.63	66,870.59	–	66,870.59

\* Excluding financial assets, deferred & current tax assets

**Product :**

<i>Particulars</i>	<i>March 31, 2020</i>	<i>March 31, 2019</i>
Revenue from Product	1,01,183.92	89,271.81
Revenue from Services	6,813.62	4,936.30
<b>Total, Revenue</b>	<b>1,07,997.54</b>	<b>94,208.11</b>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 43 : Additional information, as required under Schedule III to the Companies Act 2013, of enterprises consolidated as Subsidiary/Associates.**

Name of the entity in the Group	Net Assets, i.e. 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 other comprehensive income	Amount	As % of total comprehensive income	Amount
<b>Parent</b>								
Indoco Remedies Ltd.	100.09%	68,016.07	100.54%	2,424.82	99.99%	(183.75)	100.58%	2,241.07
<b>Subsidiaries</b>								
<b>Indian</b>								
Xtend Industrial Designers & Engineers Pvt. Ltd.	0.27%	183.68	-0.50%	(12.14)	0.00%	–	-0.54%	(12.14)
<b>Foreign</b>								
Indoco Remedies Czech s.r.o.	0.00%	(0.05)	-0.04%	(0.94)	0.01%	(0.01)	-0.04%	(0.95)
Inter Company Elimination and Consolidation Adjustment	-0.36%	(242.76)	0.00%	–	0.00%	–	0.00%	–
<b>Total</b>	<b>100.00%</b>	<b>67,956.94</b>	<b>100.00%</b>	<b>2,411.74</b>	<b>100.00%</b>	<b>(183.76)</b>	<b>100.00%</b>	<b>2,227.98</b>

**Note 44 : Events occurring after the reporting period**

**Other events**

Refer to note 41 for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting.

**Note 45 : Earnings Per Share**

Particulars	Apr'19-Mar'20	Apr'18-Mar'19
Basic & Diluted Earnings Per Share		
<u>Total Operations</u>		
Net Profit / (Loss) for the year	2,411.74	(290.40)
Weighted average numbers of equity shares	9,21,50,355	9,21,50,355
<b>Basic &amp; Diluted Earnings Per Share (₹ 2/-)</b>	<b>2.62</b>	<b>(0.32)</b>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 46 : FINANCIAL RISK MANAGEMENT**

**Financial risk management objectives and policies**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Audit Committee of the Board of Directors.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a Finance department, which evaluates and exercises independent control over the entire process of market risk management. The Finance department recommend the risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

**Market Risk- Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, finance department performs a comprehensive corporate interest rate risk management policy by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

**Exposure to interest rate risk**

(₹ in lakhs)

<i>Particulars</i>	<i>As at March 31, 2020</i>	<i>As at March 31, 2019</i>
Short Term Borrowings	10,597.86	11,339.36
Long Term Borrowings	15,682.66	18,410.11
Total Borrowings	26,280.52	29,749.47
% of Borrowings out of above bearing variable rate of Interest	40.33%	38.12%

**Interest Rate Sensitivity**

**A change of 50 bps in interest rates would have following impact on Profit before Tax**

(₹ in lakhs)

<i>Particulars</i>	<i>2019-20</i>	<i>2018-19</i>
50 BPS increase would decrease the Profit before Tax by	52.99	56.70
50 BPS decrease would (increase) the Profit before Tax by	(52.99)	(56.70)

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 46 : FINANCIAL RISK MANAGEMENT: Contd.**

**Market Risk - Foreign currency risk**

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD, EURO, GBP and AUD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The company risk management policy is to hedge forecasted foreign currency sales for the subsequent 24 to 60 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge forecasted sales.

The company also imports certain materials and Capital Goods which are denominated in USD, EURO, GBP, CHF, JPY, CNY which exposes the company to foreign currency risk to minimise the risk of imports, the company hedges imports upto 12 to 60 months in advance by entering into foreign exchange forward contracts.

The spot component of forward contracts is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points.

**Derivative instruments and unhedged foreign currency exposure**

**(a) Derivative outstanding as at the reporting date**

(Foreign currency In lakhs)

	As at March 31, 2020		As at March 31, 2019	
	Currency	Amount	Currency	Amount
Forward Contract to Sell USD	USD	150.08	USD	84.09
Forward Contract to Buy USD	USD	–	USD	38.00
Forward Contract to Sell EURO	EURO	61.25	EURO	51.09
Forward Contract to Buy EURO	EURO	11.25	EURO	–
Forward Contract to Sell GBP	GBP	142.75	GBP	83.40
Forward Contract to BUY GBP	GBP	22.86	GBP	–
Swaps				
FCNR ( B)	USD	28.03	USD	46.71
ECB	USD	–	USD	–
ECB	GBP	0.02	GBP	38.13
ECB	Euro	28.13	Euro	30.00

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

**(b) Particulars of foreign currency exposures as at the reporting date**

As at March 31, 2020

(Foreign currency in lakhs)

Particulars	USD	EURO	GBP	AUD
Trade Receivables	101.27	61.50	36.15	0.45
Trade Payables	23.86	14.53	–	–
Loans Taken - Short Term & long Term	41.43	28.13	22.88	–
Cash & Bank Balances	3.11	0.57	0.13	–

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 46 : FINANCIAL RISK MANAGEMENT: Contd.**

As at 31st March, 2019

(Foreign currency in lakhs)

Particulars	USD	EURO	GBP	AUD
Trade Receivables	100.51	44.25	43.60	0.97
Trade Payables	18.83	30.74	0.01	–
Loans Taken - Short Term & long Term	84.71	30.00	38.13	–
Cash & Bank Balances	0.35	0.90	1.00	–

(c) **Foreign Currency Risk Sensitivity**

A change of 5% in foreign currency would have following Impact on Profit before Tax

(₹ in lakhs)

	2019-20		2018-19	
	5 % increase	5 % Decrease	5 % increase	5 % Decrease
Currency				
USD	67.22	(67.22)	(3.18)	3.18
EURO	49.33	(49.33)	(17.31)	17.31
GBP	37.96	(37.96)	5.74	(5.74)
AUD	0.47	(0.47)	1.02	(1.02)
CHF	–	–	(0.03)	0.03
Increase / (Decrease) in profit or loss	154.98	(154.98)	(13.76)	13.76

**Credit risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- Significant increase in credit risk on other financial instruments of the same counterparty,
- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are



**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 46 : FINANCIAL RISK MANAGEMENT: Contd.**

recognized as income in the statement of Profit and Loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

**Ageing of Account receivables**

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
Ageing		
Not due	10,653.30	10,179.42
0-3 Months	3,623.52	3,364.89
3 - 6 Months	865.55	607.35
6 Months and above	6,599.76	6,378.29
<b>Total</b>	<b>21,742.13</b>	<b>20,529.95</b>

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

**Movement in provisions of doubtful debts**

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
Opening Provision	946.23	395.53
Add :- Additional provision made	79.86	550.70
Less : - Provision written off	236.15	—
Less : - Provision reversed	62.20	—
Closing Provisions	727.74	946.23

**Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

**(i) Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
Floating Rate		
Expiring within one year (Cash Credit and other facilities)	16,896.74	11,644.03
Expiring beyond one year (bank loans)	—	—

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 46 : FINANCIAL RISK MANAGEMENT: Contd.**

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR. The amount is arrived at based on the Sanctioned Limits by the Banks and the same is subject to change based on the Maximum Permissible Bank Finance (MPBF) and Drawing Power.

(ii) **Maturity patterns of Borrowings**

(₹ in lakhs)

	As at March 31, 2020				As at March 31, 2019			
	0-1 Years	1-5 Years	> 5 years	Total	0-1 Years	1-5 Years	> 5 years	Total
<b>Long term borrowings</b> (Including current maturity of long term debt)	5,989.66	9,654.67	38.33	15,682.66	5,548.45	12,194.82	666.84	18,410.11
<b>Short term borrowings</b>	10,597.86	–	–	10,597.86	11,339.36	–	–	11,339.36
<b>Total</b>	16,587.52	9,654.67	38.33	26,280.52	16,887.81	12,194.82	666.84	29,749.47

(iii) **Maturity Patterns of other Financial Liabilities**

(₹ in lakhs)

As at March 31, 2020	0-3 Months	3-6 Months	Beyond 6 Months	Total
Trade Payable	15,169.03	–	(68.93)	15,100.10
Trade Payable related to Capital goods	249.76	–	1,210.51	1,460.27
Other Financial liability (Current and Non Current)	7,876.46	1,919.85	3,876.16	13,672.47
<b>Total</b>	23,295.25	1,919.85	5,017.74	30,232.84

(₹ in lakhs)

As at March 31, 2019	0-3 Months	3-6 Months	Beyond 6 Months	Total
Trade Payable	14,510.93	–	–	14,510.93
Payable related to Capital goods	220.41	–	2,340.93	2,561.34
Other Financial liability (Current and Non Current)	6,745.75	1,236.79	3,684.06	11,666.60
<b>Total</b>	21,477.09	1,236.79	6,024.99	28,738.87

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 47 :**

Contingent Liabilities not provided for:

(₹ In lakhs)

		As at March 31, 2020	As at March 31, 2019
A)	Matters under dispute		
i)	Sales Tax (₹ 448.56 lakhs has been paid under protest Previous year ₹ 406.51 lakhs) **	1,013.29	850.56
ii)	Excise / Service Tax ***	746.97	499.76
iii)	Income Tax *	5.98	9.12
B)	Bank Guarantees	216.81	224.40
C)	Letters of Credit	2,234.33	505.24
D)	Estimated amount of contracts remaining to be executed on Capital Account, net of advances of ₹ 235.30 lakhs (Previous year ₹ 120.26 lakhs )	955.34	422.99

**Legal Case –**

The Company had availed a factoring facility from a Bank who refused to pay the amount of USD 25,004 to the Company on failure of a Customer to pay for the same. The case is pending in the City Civil Court.

The company has filed a case against a stockiest under section 138 under Negotiable Instruments Act 1881 for cheque bounce of ₹ 2.23 Lakhs.

**\* Income Tax demand comprises of**

- a) ₹ 5.98 lakhs (Previous year - ₹ 9.12) appearing as TDS defaults on account of short Deduction / Short Payment & Interest thereon etc.

**\*\* Sales Tax demand comprises of**

- a) ₹ 189.81 Lakhs (Previous year – ₹ 189.81 Lakhs) demand pertaining to classification dispute under Andhra Pradesh VAT Act for the period April 2005 to March 2009. The Company has filed an appeal before High Court which is yet to be heard.
- b) ₹ 619.19 Lakhs (Previous year – ₹ 619.19 Lakhs) demand pertaining to classification dispute under Andhra Pradesh VAT Act for the period April 2009 to December 2013. The Company has filed an appeal before Telangana VAT Appellate Tribunal Hyderabad which is yet to be heard.
- c) ₹ 96.86 Lakhs (Previous year – ₹ Nil Lakhs) is penalty imposed on demand of April 09 to October 12 under Andhra Pradesh VAT Act for classification dispute. The Company has filed an appeal before Appellate Deputy Commissioner (CT), Hyderabad Rural Division which is yet to be heard.
- d) ₹ 59.88 Lakhs (Previous year – ₹ Nil Lakhs) demand pertaining to classification dispute under Telangana VAT Act for the period Jan 14 to June 2017. The Company has filed an appeal before Appellate Deputy Commissioner (CT), Hyderabad Rural Division which is yet to be heard.
- e) ₹ 5.98 Lakhs (Previous year – ₹ Nil Lakhs) is penalty imposed on demand pertaining to classification dispute under Telangana VAT Act for the period Jan 14 to June 2017. The Company has filed an appeal before Deputy Commissioner (CT), Saroornagar Division, Hyd which is yet to be heard.
- f) ₹ 21.35 Lakhs (Previous year – ₹ 21.35 Lakhs) in respect of order from Asst. Commissioner (CT) Audit, Vijaywada for classification dispute. The Company has preferred an appeal before Appellate Deputy Commissioner (CT), Vijaywada. which is yet to be heard.
- g) ₹ 20.21 Lakhs (Previous year – ₹ 20.21 Lakhs) as the amount of demand raised by sales tax officer for Financial Year 2007-08 and 2009-10 on account of input credit of entry tax. Company has filed appeal before Asst. Commissioner of Commercial Taxes, who has set aside the previous order and directed Assessing Officer for Re-assessment.

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 47 : Contd.**

**\*\*\*Excise tax demand comprises of**

- a) Company appeal is pending before CESTAT for wrong availment of notification on exempted goods ₹ 0.66 Lakhs (Previous year – ₹ 0.66 Lakhs).
- b) Appeal pending before Divisional Dy. Commissioner, Boisar for classification dispute ₹ 5.04 Lakhs (Previous year – ₹ 5.04 Lakhs).
- c) CENVAT credit on input service ₹ 91.97 Lakhs (Previous year – ₹ 91.97 Lakhs), appeal pending before CESTAT, Mumbai.
- d) Company appeal is pending before Divisional Dy. Commissioner, Mumbai for wrong availment of CENVAT credit ₹ 0.79 Lakhs (Previous year – ₹ 0.79 Lakhs).
- e) Central excise department is in appeal before Supreme Court for Differential duty on intermixture of vitamins / minerals amounting to ₹ 2.91 Lakhs (Previous year – ₹ 2.91 Lakhs).
- f) CENVAT credit on input service ₹ 494.42 Lakhs (Previous year – ₹ 494.42 Lakhs), appeal pending before CESTAT, Mumbai.
- g) Company appeal is pending before CESTAT for CENVAT credit availment on physician sample amounting to ₹ 0.20 Lakhs (Previous year – ₹ 0.20 Lakhs).
- h) Central excise department is in appeal at Supreme Court for valuation of physician sample ₹ 11.20 Lakhs (Previous year – ₹ 11.20 Lakhs).
- i) ₹ 139.78 Lakhs (Previous year – ₹ 139.78 Lakhs) pending before CESTAT, Mumbai for Exempted product- Allopurinol Value Based Duty Reversal.

**Note 48 :**

**Assets Pledged As Security**

**The carrying amount of assets pledged as security for current and non-current borrowings are:**

<i>Particulars</i>	<i>As at March 31, 2020</i>	<i>As at March 31, 2019</i>
<b>Current Assets</b>		
<b>Financial Assets</b>		
Floating Charge		
Receivables	20,917.70	19,446.53
Margin Money against L/c	1,389.22	1,515.63
<b>Non-Financial Assets</b>		
Floating Charge		
Inventories	20,823.99	18,337.37
<b>Total Current Assets Pledged as security</b>	<b>43,130.91</b>	<b>39,299.53</b>
<b>Non-Current Assets</b>		
First Charge		
Land & Building	8,651.51	4,931.87
Furniture, fittings and equipment	682.19	557.93
Plant and machinery	26,557.99	19,911.66
Others	3,561.10	2,545.62
<b>Total non-current assets Pledged as security</b>	<b>39,452.79</b>	<b>27,947.08</b>
<b>Total assets pledged as security</b>	<b>82,583.70</b>	<b>67,246.61</b>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 49 :**

Related Party Disclosure as required by Ind AS 24

**I. Related Parties**

(A)	Enterprises that control or are controlled by the reporting company:	
	Holding Companies	NIL
	Subsidiary Companies	NIL
	Fellow Subsidiaries	NIL
(B)	Associates and Joint Ventures of reporting company:	
	Associates	NIL
	Joint Ventures	NIL
(C)	(i) Individuals owning and having control of the reporting company Mr. Suresh G. Kare, Mrs. Aruna S. Kare, Ms. Aditi Panandikar, Mrs. Madhura Ramani	
	(ii) Their relatives: Dr. Milind Panandikar, Mr. Ramnath Kare, Mrs. Sudha Pai, Mrs. Pratima Vaidya, Mrs. Amita Rajadhyaksha, Mrs. Meera Karnik , Ms. Mahika Panandikar, Mr. Rohan Ramani, Mr. Megh Panandikar	
(D)	(i) Key Management Personnel : Mr. Suresh G. Kare, Ms. Aditi Panandikar, Mr. Sundeep V. Bambolkar	
	(ii) Their Relatives : Mrs. Aruna S. Kare, Mrs. Madhura A. Ramani, Mr. Ramnath Kare, Mrs. Suman Naik, Mrs. Sudha Pai, Dr. Milind Panandikar, Mrs. Neeta Bambolkar, Mr. Vasant Bambolcar, Ms. Manali Bambolkar, Mr. Paresh Bambolkar ,Ms. Mahika Panandikar, Mr. Rohan Ramani, Mr. Megh Panandikar	
(E)	Enterprises controlled by key management personnel : SPA Holdings Pvt. Ltd., Shanteri Investments Pvt. Ltd., Indoco Capital Markets Ltd., A K Services, Suresh Kare Foundation, Warren Generics s.r.o,	

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
(All amounts in INR lakhs, unless otherwise stated)

Note 49 : *Contd.*

**II. Transactions in respect of which disclosures to be made**

(₹ in lakhs)

Particulars of transaction		Enterprises that control or are controlled by reporting company	Associates and Joint Ventures of reporting company	Individuals owning and having control over the reporting company and their relatives	Key Management personnel and their relatives	Enterprises controlled by key management personnel
		(A)	(B)	(C)	(D)	(E)
Purchases or sales of goods (finished or unfinished)	C. Y.	-	-	-	-	-
	P.Y.	-	-	-	-	-
Purchases or sales of fixed assets	C.Y.	-	-	-	-	-
	P.Y.	-	-	-	-	-
Rendering or receiving of services	C.Y.	-	-	-	-	116.02
	P.Y.	-	-	-	-	100.47
Agency arrangements	C.Y.	-	-	-	-	-
	P.Y.	-	-	-	-	-
Remuneration paid	C.Y.	-	-	-	607.62	-
	P.Y.	-	-	-	510.71	-
Transfer of research and development		-	-	-	-	-
License agreements	C.Y.	-	-	-	3.00	-
	P.Y.	-	-	-	3.00	3.54
Finance (including loans and equity contributions in cash or in kind)	C.Y.	-	-	-	-	0.70
	P.Y.	-	-	-	-	0.70
Guarantees and collaterals	C.Y.	-	-	-	-	-
	P.Y.	-	-	-	-	-
Management contracts including for deputation of employees		-	-	-	-	-
Receivable	C.Y.	-	-	-	-	-
	P.Y.	-	-	-	-	-
Payable	C.Y.	-	-	-	-	8.01
	P.Y.	-	-	-	-	-

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

Note 49 : Contd.

Sr. No.	Particulars of Remuneration	Name of Executive Chairman / MD / JT. MD			Total Amount
		Mr. Suresh G Kare	Ms. Aditi Panandikar	Mr. Sundeeep V Bambolkar	
1	Salary as per Provisions contained in Section 17 (1) of the Income tax Act ,1961	207.00	161.28	147.07	515.35
	Value of Perquisites under Section 17 (2) Income tax Act,1961	0.39	2.79*	2.79*	5.97*
	Profit in Lieu of Salary under Section 17 (3) Income tax Act,1961	–	–	–	–
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission / Incentive	–	–	–	–
5	Others , Please Specify – PF , SA	16.56	36.76	32.98	86.30
	<b>Total (1-5)**</b>	<b>223.95</b>	<b>200.83</b>	<b>182.84</b>	<b>607.62</b>
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)**				

\* Consists of Company contribution to Super Annuation Fund which is not considered while calculating the ceiling of Remuneration specified above under Section 198 of the Companies Act, 2013.

**III. Transactions with related parties in ordinary course/ not in normal course/ not on an arm's length basis**

(₹ In lakhs)

Particulars of transaction		Enterprises that control or are controlled by reporting company	Associates and Joint Ventures of reporting company	Individuals owning and having control over the reporting company and their relatives	Key Management personnel and their relatives	Enterprises controlled by key management personnel
		(A)	(B)	(C)	(D)	(E)
(i) Transactions in the ordinary course	C.Y.	–	–	–	610.62	116.72
	P.Y.	–	–	–	513.71	104.71
(ii) Transactions not in the normal course		–	–	–	–	–
(iii) Transactions not on an arm's length basis		–	–	–	–	–
(iv) Justification for (iii)		–	–	–	–	–

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2020**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note : 50**

**Expenditure on R&D**

(₹ In lakhs)

	2016-17	2017-18	2018-19	2019-20
Building	–	–	8.42	–
Equipment & other capital expenditure	1,098.44	290.52	146.61	348.22
<b>Total Capital Expenditure</b>	<b>1,098.44</b>	<b>290.52</b>	<b>155.03</b>	<b>348.22</b>
Revenue Expenditure	5,171.04	5,348.97	5,151.55	4,970.21
<b>Total R &amp; D Expenditure</b>	<b>6,269.48</b>	<b>5,639.49</b>	<b>5,306.58</b>	<b>5,318.43</b>

Note: As per requirement of Department of Scientific and Industrial Research expenses for period 2016-17 and 2017-18 are also covered

**Note 51 :**

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows:

(₹ In lakhs)

		2019 -20	2018-19
A	Principal Amount & Interest due on the above	12.06	18.38
B	Interest paid during the year beyond the appointed day	–	–
C	Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act	–	–
D	Amount of interest accrued and remaining unpaid at the end of the year.	–	–
E	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small Enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the ACT.	–	–

The above information regarding Micro Enterprises and small Enterprises has been determined on the basis of information available with the Company. No interest has been accrued on delayed payments, if any.

**Note 52 :**

Previous year's figures have been regrouped and reclassified wherever necessary.

As per our Report of even date attached  
 For **Gokhale & Sathe**  
 Chartered Accountants  
 Firm Registration no.: 103264W

**Tejas Parikh**  
 Partner  
 M. No. 123215

**Aditi Panandikar**  
 Managing Director  
 DIN : 00179113

**Mandar Borkar**  
 CFO

**Sundeep V Bambolkar**  
 Jt. Managing Director  
 DIN : 00176613

**Jayshankar Menon**  
 Company Secretary

Mumbai : June 24, 2020



## CSR - BETTER LIVES FOR A BRIGHTER FUTURE



Indoco is committed to its social responsibility and carries out its CSR activities under the banner of 'SUMATI SANGOPAN', reaching out to the underprivileged communities. The Company lends a helping hand to the needy, with significant focus on the welfare of women, children and the aged in the areas of Health, Education, Sanitation, etc.



Awareness Campaign at Shantadurga High School , Sancoale, Goa



Nana Palkar Smriti Samiti, Mumbai



Awareness Program at Mahalsa Narayani School Verna, Goa



Saraswat Mandir Trust, Goa



Enhancing vocational skills at Bhagini Nivedita Gramin Vigyan Niketan, Jalgaon



Spera division's MCBM & CRY partnered to increase awareness of 1st Trimester nutrition for Healthier Motherhood

### OTHER CSR INITIATIVES

- Donation for COVID-19 to Goa Bagayatdar Sahakar Kharedi Vikri Saunstha Maryadit.
- IPH Learning Centre for promoting education.
- Distribution of free medicines to Ramakrishna Mission Ashrama, Vivekananda Kendra Arun Jyoti, Sevalaya, Sneha Mandir, Mahila Mandal Margao, Vaishnavi Charitable Trust, Dyaneshwar Maharaj Palakhi Medical Camp, Shree Samartha Samajik Vikas Sanstha –Raigad.
- Advitya Kala Sangam Trust for Promoting & Development of Traditional Arts.
- Chetana Apangmati Vikas Sanstha for enhancing vocational skills.
- D Y Patil Education Society's Medical College for Promoting Education.



Annual Mega Camp 2020 at Barsahna, Uttar Pradesh

## BUZZ @ INDOCO



50<sup>th</sup> Birthday of our M.D.,  
Ms. Aditi Kare Panandikar



Group Birthday Celebrations @ HO



Group Birthday Celebrations @ Baddi



Indoco's 72<sup>nd</sup> Foundation Day -  
23rd August '19



Inspira 2020 - The Spirit of Indoco



Felicitation of employees completing  
25 years



Annual Pooja @ Waluj



Independence Day @ Goa



Udaan - Annual Day @ Baddi



Ganesh Idol making competition  
@ Goa



National Safety Week @ Baddi



Women's Day '20 @ Indoco



Winners of Pentair Cricket Cup -  
Goa Plant II & III



ME2WE @ Baddi



Blood Donation Camp @ Goa

# BUZZ @ INDOCO



Annual General Meeting 2019-20



CPhI Worldwide 2019



CPhI India 2019



Ms. Aditi Kare Panandikar with the Field Managers



New Product Launch



Executive Conclave



HR Conclave 2019



DBM Meet - New Sales Year



New Field Force Training



Star Awards 18-19 @ Europe



Star Awards 18-19 @ Dubai



Star Awards 18-19 @ Goa



Training - Domestic Marketing Team



Field distributing free medicines during floods



WishTree Activity @ Indoco

Safe Harbour

Statements made in this Annual Report describing the Company's objective, projections, estimates and expectations may be 'Forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied due to risks, uncertainties and inaccurate assumptions.



Indoco House, 166, C.S.T. Road, Kalina,  
Santacruz(E), Mumbai 400098, India  
Tel. No.: +91 22 62871000 / 68791250  
Website: [www.indoco.com](http://www.indoco.com)