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**India**

**Goel Gaurav & Co**  
**Chartered Accountants**  
**C-203, Sector-11**  
**Vijay Nagar, Ghaziabad,**  
**Uttar Pradesh-201009,**  
**India**

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Mankind Pharma Limited

### **Report on the Audit of the Consolidated Ind AS financial statements**

#### **Opinion**

We have audited the accompanying Consolidated Ind AS financial statements of Mankind Pharma Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint ventures comprising of the consolidated Balance sheet as at March 31 2020, the consolidated Statement of Profit and Loss including the statement of Other Comprehensive Income and the consolidated Cash Flow Statement for the year then ended, and notes to the consolidated Ind AS financial statements, including 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 and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2020, their consolidated profit including other comprehensive income and their consolidated cash flows, and the consolidated statement of changes in equity 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), as 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, associates and joint ventures 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 audit opinion on the consolidated Ind AS financial statements.



### **Emphasis of Matter**

We draw attention to Note 43 to the consolidated Ind AS financial statement which describes the impact of the adjustment related to the consolidation of two entities as subsidiaries which earlier were accounted as joint ventures and certain reclassifications, which has led to the restatement of the financial statements as at and for the year ended March 31, 2019 and as at April 01, 2018. Our opinion is not qualified in respect of this matter.

### **Other Information**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board Report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management for the Consolidated Ind AS financial statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures 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 of its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated 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 and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

### **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 SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 and its associates and joint ventures 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 and its associates and joint ventures to cease to continue as a going concern.





- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors, to express an opinion on the consolidated Ind AS 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 Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS 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.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of 15 subsidiaries, whose financial statements include total assets of Rs. 111,512.69 Lakhs as at March 31, 2020, and total revenues of Rs. 14,020.61 Lakhs and net cash inflows of Rs. 4,958.09 Lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 1,153.52 Lakhs for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of 6 associates and 3 joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting





principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- (b) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of 2 subsidiaries whose financial statements and other financial information reflect total assets of Rs. 402.62 lakhs as at March 31, 2020, and total revenues of Rs. 1,113.85 Lakhs and total net profit/ (loss) of Rs. (6.32) Lakhs and total comprehensive income / (loss) of Rs. (4.57) lakhs and net cash inflows of Rs. 22.30 lakhs for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.
- (c) The Ind AS financial statements of two subsidiary companies, whose financial statements reflect total assets of Rs. 64,079.79 Lakhs as at March 31, 2020, total revenues of Rs. 116,097.21 Lakhs and net cash inflows amounting to Rs. 688.64 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements have been audited by one of the joint auditors of the Holding Company along with the other auditor as joint auditors.
- (d) The consolidated Ind AS financial statements of the Group for the year ended March 31, 2019 and as at April 01, 2018, included in these consolidated Ind AS financial statements, have been audited by one of the joint auditors with a predecessor auditor who expressed an unmodified opinion on those statements on July 19, 2019.

Our opinion on the consolidated Ind AS financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### **Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon 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 consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the 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 reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and joint ventures, none of the directors of the Group's companies, its associates and joint ventures incorporated in India 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 and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;



(h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other matter' paragraph:

- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its consolidated Ind AS financial statements – Refer Note 36 to the consolidated Ind AS financial statements;
- ii. The Group, its associates and joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India during the year ended March 31, 2020.

For **S.R. Batliboi & CO. LLP**  
Chartered Accountants  
ICAI Firm Registration Number:  
301003E/E300005


per **Vishal Sharma**  
Partner  
Membership Number: 096766  
UDIN: 20096766AAAACH4858  
Place of Signature: New Delhi  
Date: August 20, 2020

For **Goel Gaurav & Co.**  
Chartered Accountants  
ICAI Firm Registration Number :  
022467C


**Gaurav Goel**  
Proprietor  
Membership Number: 528323  
UDIN: 20528323AAAACP2455  
Place of Signature: New Delhi  
Date: August 20, 2020



**ANNEXURE-1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF MANKIND PHARMA LIMITED**

**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 Mankind Pharma Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Mankind Pharma Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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. 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 Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, 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 with reference to these consolidated Ind AS financial statements 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 over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the



assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

### **Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS financial statements**

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS financial statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS financial statements 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 Holding Company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding 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.



### Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to:

- A) 11 subsidiary companies, 2 associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and associate incorporated in India.
- B) Two subsidiary companies, is based solely on the corresponding reports of one of the joint auditors of the Parent along with the other auditor as joint auditors.

Our opinion is not modified in respect of the above matters.

For **S.R. Batliboi & CO. LLP**  
Chartered Accountants  
ICAI Firm Registration Number:  
301003E/E300005


**per Vishal Sharma**  
Partner  
Membership Number: 096766  
UDIN: 20096766AAAACH4858  
Place of Signature: New Delhi  
Date: August 20, 2020

For **Goel Gaurav & Co.**  
Chartered Accountants  
ICAI Firm Registration Number:  
022467C


**Gaurav Goel**  
Proprietor  
Membership Number: 528323  
UDIN: 20528323AAAACP2455  
Place of Signature: New Delhi  
Date: August 20, 2020



**MankInd Pharma Limited**  
**Consolidated Balance Sheet as at March 31, 2020**  
**All amounts are in INR lacs unless otherwise stated**

Particulars	Notes	As at March 31, 2020	As at March 31, 2019 (Restated)	As at April 01, 2018 (Restated)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	1,55,134.41	1,35,213.38	98,995.07
Capital work-in-progress	4	31,325.86	32,680.29	49,609.17
Investment properties	5	555.82	1,039.07	1,140.30
Goodwill	6	2,044.22	2,044.56	4,295.26
Other Intangible assets	6	2,225.21	2,687.65	2,807.53
Intangible assets under development	6	369.46	107.06	-
Investment in associates and joint ventures	7	16,437.98	21,564.18	12,804.39
Financial assets				
(i) Investments	8	1.25	1.75	1.75
(ii) Loans	17	9.93	7.20	12.00
(iii) Other financial assets	10	3,092.99	2,694.63	1,964.43
Income tax assets (net)	11	5,451.16	6,950.53	2,821.77
Deferred tax assets (net)	23	4,793.89	2,889.47	2,934.45
Other non-current assets	12	3,664.62	3,551.11	3,828.83
<b>Total non-current assets</b>		<b>2,25,106.80</b>	<b>2,11,430.88</b>	<b>1,81,214.95</b>
<b>Current assets</b>				
Inventories	13	89,913.45	82,098.53	78,934.78
Financial assets				
(i) Investments	9	66,503.25	54,326.66	64,987.11
(ii) Trade receivables	14	53,109.20	22,021.88	29,662.37
(iii) Cash and cash equivalents	15	22,607.53	11,639.03	13,553.56
(iv) Bank balances other than (iii) above	16	19,380.20	2,462.11	422.58
(v) Loans	17	3,449.79	3,162.02	3,065.86
(vi) Others	10	448.69	366.43	295.95
Other current assets	12	26,538.10	18,238.26	20,843.21
		<b>2,81,950.21</b>	<b>1,94,314.92</b>	<b>2,11,765.42</b>
Assets held for sale	18	271.05	5,496.58	1,152.16
Assets associated with discontinuing operations	42	-	-	45,742.41
<b>Total current assets</b>		<b>2,82,221.26</b>	<b>1,99,811.50</b>	<b>2,58,659.99</b>
<b>Total assets</b>		<b>5,07,328.06</b>	<b>4,11,242.38</b>	<b>4,39,874.94</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	19	4,005.88	4,005.88	4,005.88
Other equity	20	3,44,525.14	2,78,299.13	2,67,216.14
<b>Equity attributable to owners of the holding company</b>		<b>3,48,531.02</b>	<b>2,82,305.01</b>	<b>2,71,222.02</b>
<b>Non controlling interest</b>	54	<b>18,626.11</b>	<b>15,862.26</b>	<b>14,179.13</b>
<b>Total Equity</b>		<b>3,67,157.13</b>	<b>2,98,167.27</b>	<b>2,85,401.15</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
(i) Borrowings	21	5,819.27	2,511.19	269.56
(ii) Others	26	382.82	100.00	-
Provisions	22	6,300.49	4,491.61	3,329.65
Deferred tax liabilities (net)	23	816.65	2,232.58	3,158.97
Other non-current liabilities	24	1,778.73	1,333.55	815.82
<b>Total non-current liabilities</b>		<b>15,097.96</b>	<b>10,668.93</b>	<b>7,574.00</b>
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings	21	4,428.02	24,146.41	40,449.12
(ii) Trade payables	25			
(a) total outstanding dues of micro and small enterprises		8,102.21	8,211.72	6,186.48
(b) total outstanding dues other than micro and small		66,408.80	47,985.18	58,738.12
(iii) Other financial liabilities	26	12,058.57	6,992.28	26,028.63
Provisions	22	21,567.04	10,301.94	5,651.70
Income tax liabilities (net)	11	6,562.24	107.59	2,725.78
Other current liabilities	24	5,946.09	4,661.06	4,866.85
		<b>1,25,072.97</b>	<b>1,02,406.18</b>	<b>1,44,646.68</b>
Liabilities directly associated with discontinuing operations	42	-	-	2,253.11
<b>Total current liabilities</b>		<b>1,25,072.97</b>	<b>1,02,406.18</b>	<b>1,46,899.79</b>
<b>Total liabilities</b>		<b>1,40,170.93</b>	<b>1,13,075.11</b>	<b>1,54,473.79</b>
<b>Total equity and liabilities</b>		<b>5,07,328.06</b>	<b>4,11,242.38</b>	<b>4,39,874.94</b>

Summary of significant accounting policies 2-3  
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The accompanying notes are forming an integral part of these consolidated financial statements.

As per our report of even date

**For S.R. Batliboi & Co. LLP**  
 Chartered Accountants  
 Firm Reg. no. 301003E/E300005

*Vishal Sharma*  
 per Vishal Sharma  
 Partner

Membership No. 096766

**For Goel Gaurav & Co.**  
 Chartered Accountants  
 Firm Reg. no. 022467C

*Gaurav*  
**Gaurav Goel**  
 Proprietor  
 Membership No. 528323

Place: New Delhi  
 Date: 20 August 2020



**For and on behalf of the Board of Directors**

*Rajiv Juneja*  
**Rajiv Juneja**  
 Chief Executive Officer and  
 Whole-time Director  
 DIN - 00283481

*Pradeep Chugh*

**Pradeep Chugh**  
 Company Secretary  
 Membership No. ACS 18711

Place: New Delhi  
 Date: 20 August 2020

*Sheetal Arora*  
**Sheetal Arora**  
 Managing Director  
 DIN - 00704292

*Ashutosh Dhawan*  
**Ashutosh Dhawan**  
 Chief Financial Officer

*Arjun Juneja*  
**Arjun Juneja**  
 Whole-time director  
 DIN - 00704349



**Mankind Pharma Limited**  
**Consolidated Statement of Profit and Loss for the year ended March 31, 2020**  
**All amounts are in INR lacs unless otherwise stated**

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)
<b>I Income</b>			
Revenue from operations	27	5,87,186.85	4,97,997.61
Other income	28	10,378.44	5,291.88
<b>Total income (I)</b>		<b>5,97,565.29</b>	<b>5,03,289.49</b>
<b>II Expenses</b>			
Cost of raw materials and components consumed	29	1,29,732.17	93,227.56
Purchases of stock-in-trade	29	59,120.53	77,713.39
Changes in inventories	30	(1,045.59)	1,192.82
Employee benefits expense	31	1,33,552.66	1,09,478.58
Finance costs	32	2,197.18	4,303.24
Depreciation and amortization expense	33	9,905.84	6,903.44
Impairment of non-current assets	34 (a)	9,057.99	65.04
Other expenses	34	1,12,424.52	1,23,939.13
<b>Total expenses (II)</b>		<b>4,54,945.30</b>	<b>4,16,823.20</b>
III Share of net profit/(loss) of associates and joint ventures	51	1,153.52	993.80
<b>IV Profit before tax (I-II+III)</b>		<b>1,43,773.51</b>	<b>87,460.09</b>
<b>V Tax Expense:</b>			
Current tax	35	40,839.95	26,863.60
Deferred tax	35	(3,267.52)	(879.76)
Adjustment of tax relating to earlier periods	35	587.06	428.23
<b>Total tax expense (V)</b>		<b>38,159.49</b>	<b>26,412.07</b>
<b>VI Profit for the year (IV-V)</b>		<b>1,05,614.02</b>	<b>61,048.02</b>
<b>VII Other comprehensive income</b>			
(i) Item that will not be reclassified to profit or loss			
- Remeasurement gain / (loss) of the defined benefit plan (refer note 39)		(1,284.52)	(306.58)
- Share of other comprehensive income of associates and joint ventures		2.60	-
(ii) Income tax relating to item that will not be reclassified to profit or loss (refer note 35.2)		434.67	107.49
(iii) Item that will be reclassified to profit or loss			
- Exchange differences in translating the financial statements of foreign operations		442.23	424.14
(iv) Income tax relating to item that will be reclassified to profit or loss		-	-
<b>Total other comprehensive income / (loss) (i+ii+iii+iv)</b>		<b>(405.02)</b>	<b>225.05</b>
<b>VIII Total comprehensive income for the year (VI+VII)</b>		<b>1,05,209.00</b>	<b>61,273.07</b>
<b>Profit for the year attributable to:</b>			
- Owners of the Company		1,03,041.69	57,852.86
- Non-controlling interests		2,572.33	3,195.16
<b>Other comprehensive income / (loss) for the year attributable to:</b>			
- Owners of the Company		(389.08)	221.04
- Non-controlling interests		(15.94)	4.01
<b>Total comprehensive income for the year attributable to:</b>			
- Owners of the Company		1,02,652.61	58,073.90
- Non-controlling interests		2,556.39	3,199.17
<b>Earnings per equity share attributable to owners of the Company (EPS)</b> (face value of INR 1 each) (see note 47):			
Basic EPS (in INR)		25.72	14.44
Diluted EPS (in INR)		25.72	14.44

Summary of significant accounting policies 2-3  
 Commitments and contingencies 36  
 Other notes on accounts 37-59

The accompanying notes are forming an integral part of these consolidated financial statements.

As per our report of even date

**For S.R. Batliboi & Co. LLP**  
 Chartered Accountants  
 Firm Reg. no. 301003E/E300005

*Vishal Sharma*  
 per Vishal Sharma

Partner  
 Membership No. 096766



**For Goel Gaurav & Co.**  
 Chartered Accountants  
 Firm Reg. no. 022467C

*Gaurav Goel*  
 Gaurav Goel  
 Proprietor  
 Membership No. 528323



Place: New Delhi  
 Date: 20 August 2020

**For and on behalf of the Board of Directors**

*Rajeev Juneja*  
 Rajeev Juneja  
 Chief Executive Officer and  
 Whole-time Director  
 DIN - 00288481

*Sheetal Arora*  
 Sheetal Arora  
 Managing Director  
 DIN - 00704292

*Arun Juneja*  
 Arun Juneja  
 Whole-time Director  
 DIN - 00704349

*Pradeep Chugh*  
 Pradeep Chugh  
 Company Secretary  
 Membership No. ACS 18711

*Ashutosh Dhawan*  
 Ashutosh Dhawan  
 Chief Financial Officer

Place: New Delhi  
 Date: 20 August 2020



**Mankind Pharma Limited**  
**Consolidated Cash Flow Statement for the year ended March 31, 2020**  
**All amounts are in INR lacs unless otherwise stated**

	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)
<b>A. Cash flow from Operating activities</b>		
<b>Profit before tax for the year</b>	<b>1,43,773.51</b>	<b>87,460.09</b>
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Share of (profit)/loss of associates and joint ventures (net)	(1,153.52)	(993.80)
Depreciation and amortisation expense	9,905.84	6,903.44
Net loss/(gain) on current investments measured at FVTPL	(3,505.86)	(2,957.72)
Dividend income from financial assets measured at FVTPL	(428.21)	(31.42)
Dividend income from investment measured at FVTPL	(0.04)	-
Government grant income	(3,456.40)	(1,219.18)
Unrealized foreign exchange (gain) / loss (net)	102.50	54.31
Exchange difference on translation of financial statements foreign operations	(442.23)	(424.14)
Loss/(gain) on disposal of property, plant and equipment (net)	(193.78)	128.00
Loss/(gain) on sale of investment property (net)	(901.58)	(66.16)
Trade and other receivable balances written off	61.22	124.77
Allowance for expected credit loss	74.26	-
Allowance for doubtful loans	517.52	159.19
Impairment of non-current assets	9,057.99	65.04
Finance income	(1,289.51)	(561.09)
Finance costs	2,171.80	4,303.24
Interest on lease liability	25.38	-
Goodwill written off	0.34	2,250.70
<b>Operating profit before working capital changes</b>	<b>1,54,319.23</b>	<b>95,195.27</b>
<i>Working capital adjustments:</i>		
(Increase)/ Decrease in trade receivables	(30,883.07)	7,032.26
(Increase)/ Decrease in inventories	(7,814.92)	(3,049.51)
(Increase)/ Decrease in financial asset - loans	-	-
(Increase)/ Decrease in financial asset - others	(480.62)	(796.03)
(Increase)/ Decrease in other asset	(13,039.23)	(3,796.27)
Increase/ (Decrease) provisions	11,789.46	5,502.31
Increase/ (Decrease) in trade payable	18,314.11	(7,483.31)
Increase/ (Decrease) in other financial liability	5,334.55	(862.27)
Increase/ (Decrease) in other liability	5,216.15	2,478.90
Cash generated from operations	<b>1,42,755.66</b>	<b>94,221.35</b>
Income tax paid	(33,091.15)	(34,184.12)
<b>Net cash inflow from operating activities (A)</b>	<b>1,09,664.51</b>	<b>60,037.23</b>
<b>B. Cash flow from Investing activities</b>		
Proceeds from sale of property, plant and equipment	1,124.24	5,888.95
Purchase of property, plant and equipment and investment property	(22,796.98)	(29,767.52)
Proceeds from sale / (Purchase of investment) in mutual funds	(8,670.23)	5,514.53
Dividend received	428.25	31.42
Loan to related parties (net)	(313.85)	(192.17)
Loan to other parties (net)	23.35	100.81
Bank deposit not considered as cash and cash equivalents (net)	(16,918.09)	(2,039.54)
Consideration paid for investment in subsidiary	-	(24,505.02)
Investment in associates and joint ventures (net)	529.72	(96.14)
Payment/ proceeds from investment properties (net)	1,388.69	69.10
Interest received (finance income)	1,289.51	561.09
<b>Net cash inflow/(outflow) from investing activities (B)</b>	<b>(43,915.39)</b>	<b>(44,434.49)</b>
<b>C. Cash flow from Financing activities</b>		
Finance cost	(2,197.18)	(4,496.96)
Proceeds from Current borrowings	1,387.92	1,096.97
Proceeds from Non-Current borrowings	3,660.11	35,294.53
Repayment of Current borrowings	(21,106.31)	(18,748.22)
Repayment of Non-Current borrowings	(352.03)	(33,052.90)
Payment of principal portion of lease liabilities	(106.88)	-
Dividend and tax paid thereon to equity holders of parent company (refer note 46)	(36,426.60)	(2,892.89)
<b>Net cash inflow/(outflow) from financing activities (C)</b>	<b>(55,140.97)</b>	<b>(22,799.47)</b>
Net increase in cash and cash equivalents (A+B+C)	10,608.15	(7,196.73)
Net foreign exchange difference	360.35	(2.40)
Add: Pursuant to acquisition/ disposal of control in subsidiaries	-	5,284.60
Cash and cash equivalents at the beginning of the year	11,639.03	13,553.56
<b>Cash and cash equivalents at year end</b>	<b>22,607.53</b>	<b>11,639.03</b>





**Mankind Pharma Limited**  
**Consolidated Cash Flow Statement for the year ended March 31, 2020**  
**All amounts are in INR lacs unless otherwise stated**

	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)
<b>Components of cash and cash equivalents (refer note 15)</b>		
Balances with banks	18,850.51	11,511.52
- on current Account	1,812.29	101.06
- on deposit account	25.58	25.54
Cash on hand	1,919.15	0.91
Cheques on hand	<u>22,607.53</u>	<u>11,639.03</u>

Summary of significant accounting policies	2-3
Commitments and contingencies	36
Other notes on accounts	37-59

The accompanying notes are forming an Integral part of these consolidated financial statements.

As per our report of even date

**For S.R. Batliboi & Co. LLP**  
Chartered Accountants  
Firm Reg. no. 301003E/E300005

  
**per Vishal Sharma**  
Partner

Membership No. 096766

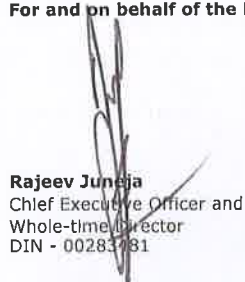
**For Goel Gaurav & Co.**  
Chartered Accountants  
Firm Reg. no. 022467C


  
**Gaurav Goel**  
Proprietor  
Membership No. 528323

Place: New Delhi  
Date: 20 August 2020



**For and on behalf of the Board of Directors**

  
**Rajeev Juneja**  
Chief Executive Officer and  
Whole-time Director  
DIN - 00283781


  
**Pradeep Chugh**  
Company Secretary  
Membership No. ACS 18711

Place: New Delhi  
Date: 20 August 2020

  
**Sheetal Arora**  
Managing Director  
DIN - 00704292



  
**Arjun Juneja**  
Whole-time director  
DIN - 00704349

  
**Ashutosh Dhawan**  
Chief Financial Officer

**Mankind Pharma Limited**  
**Consolidated Statement of Changes in Equity for the year ended March 31, 2020**  
 All amounts are in INR, less unless otherwise stated

**a. Equity share capital**

**Particulars**

Equity shares of INR 1 each issued, subscribed and fully paid  
 As at 01 April 2018  
 Changes in equity share capital during the year  
 As at March 31, 2019  
 Changes in equity share capital during the year  
 As at March 31, 2020

**b. Other equity**

Particulars	Attributable to the equity holders of the parent						Non-controlling interests	Total equity
	General reserve	Security premium	Capital reserve	Retained earnings	Other reserves Foreign currency translation reserve	Total		
Balance as at 01 April 2018 (Restated)	23,774.24	4,211.74	(46,800.14)	2,86,005.26	25.04	2,67,216.14	2,81,395.27	
Profit for the year	-	-	-	57,852.86	-	57,852.86	61,048.02	
Other comprehensive income for the year, net of income tax	-	-	-	(203.10)	424.14	221.04	225.05	
<b>Total comprehensive income for the year</b>	-	-	-	<b>57,649.76</b>	<b>424.14</b>	<b>58,073.90</b>	<b>61,273.07</b>	
<b>Transactions with owners in their capacity as owners:</b>								
Add/Less : Addition/(Withdrawal) during the year	-	-	-	-	-	-	125.94	
Less : Adjustment on account of demerger (refer note 42)	-	-	(44,098.02)	(2,403.53)	-	(44,098.02)	(45,740.00)	
Less : Dividend on equity shares	-	-	-	(489.36)	-	(489.36)	(2,403.53)	
Less : Dividend distribution tax	-	-	-	-	-	-	(489.36)	
Balance as at March 31, 2019	23,774.24	4,211.74	(90,898.16)	3,40,762.13	449.18	2,78,299.13	2,94,161.39	
Profit for the year	-	-	-	1,03,041.69	-	1,03,041.69	1,05,614.02	
Other comprehensive income for the year, net of income tax	-	-	-	(831.31)	442.23	(389.08)	(405.02)	
<b>Total comprehensive income for the year</b>	-	-	-	<b>1,02,210.38</b>	<b>442.23</b>	<b>1,02,652.61</b>	<b>1,05,209.00</b>	
<b>Transactions with owners in their capacity as owners:</b>								
Add/Less : Addition/(Withdrawal) during the year	-	-	-	(30,244.43)	-	(30,244.43)	(9.54)	
Less : Dividend on equity shares	-	-	-	(6,182.17)	-	(6,182.17)	(30,244.43)	
Less : Dividend distribution tax	-	-	-	-	-	-	(6,182.17)	
Add : Non-controlling interests on inception of new subsidiaries during the year (refer note 54)	-	-	-	-	-	-	217.00	
Balance as at March 31, 2020	23,774.24	4,211.74	(90,898.16)	4,06,545.91	891.41	3,44,525.14	3,63,151.25	
<b>Total Equity (a + b)</b>							<b>3,67,157.13</b>	

Summary of significant accounting policies  
 Commitments and contingencies  
 Other notes on accounts

The accompanying notes are forming an integral part of these consolidated financial statements.

As per our report of even date

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

Firm Reg. no. 301003E/E300005

per *Vishal Sharma*

Partner

Membership No. 096766

**For Gaurav Goel**

Chartered Accountants

Firm Reg. no. 022457C

per *Gaurav Goel*

Proprietor

Membership No. 528323

Place: New Delhi

Date: 20 August 2020



For and on behalf of the Board of Directors

*Rajeev Juneja*

Chief Executive Officer and Whole-time Director

DIN - 00283481

*Sheetal Arora*

Managing Director

DIN - 00704292

*Arjun Juneja*

Whole-time Director

DIN - 00704349

*Pradeep Chugh*

Company Secretary

Membership No. ACS 18711

Place: New Delhi

Date: 20 August 2020



*Ashutosh Dhawan*

Chief Financial Officer

Note	Amount
19	4,005.88
19	4,005.88

## 1 CORPORATE INFORMATION

Mankind Pharma Limited ("Mankind" or "the Holding Company" or "the Parent Company") is a public limited company domiciled in India and has its registered office at 208, Okhla Phase III, Delhi.

The Holding Company and its subsidiaries, associates and joint ventures (collectively referred as "Group") are principally engaged in the manufacturing and trading of pharmaceutical and health care products and some of entities in leasing and hospitality business.

These consolidated financial statements were approved for issue in accordance with a resolution of the directors on 20 August 2020.

## 2 Basis of preparation

### 2.01 Basis of preparation of Consolidated Financial Statements

These Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III). These Consolidated financial statements are presented in INR and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated.

The financial statements have been prepared on a historical cost convention, except for the following assets and liabilities:

- i) Certain financial assets and liabilities that is measured at fair value
- ii) Assets held for sale-measured at fair value less cost to sell
- iii) Defined benefit plans-plan assets measured at fair value

### 2.02 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non current.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. the Group has identified twelve months as its operating cycle.

### 2.03 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries, associates and joint ventures as at 31 March 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- ▶ Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- ▶ Exposure, or rights, to variable returns from its involvement with the investee, and
- ▶ The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- ▶ The contractual arrangement with the other vote holders of the investee
- ▶ Rights arising from other contractual arrangements
- ▶ The Group's voting rights and potential voting rights
- ▶ The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.





Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March, 2020.

#### **2.04 Consolidation Procedure :**

##### **(A) Subsidiaries:**

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS - 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- (i) Derecognises the assets (including goodwill) and liabilities of the subsidiary
- (ii) Derecognises the carrying amount of any non-controlling interests
- (iii) Derecognises the cumulative translation differences recorded in equity
- (iv) Recognises the fair value of the consideration received
- (v) Recognises the fair value of any investment retained
- (vi) Recognises any surplus or deficit in profit or loss
- (vii) Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

##### **(B) Investment in associates and joint ventures**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If Group's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.



After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment less cost to sell is recognised in profit or loss.

The Group discontinue the use of equity method from the date the investment is classified as held for sale in accordance with Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations and measures the interest in associate and joint venture held for sale at the lower of its carrying amount and fair value less cost to sell.

### **3 Significant accounting policies**

#### **3.01 Business combination and goodwill**

Business combinations other than those under common control transactions are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. In respect to the business combination for acquisition of subsidiary, the Group has opted to measure the non-controlling interests in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated as mentioned hereinafter

- (i) Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 "Income Tax" and Ind AS 19 "Employee Benefits" respectively.
- (ii) Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- (iii) Liabilities or equity instruments related to share based payment arrangements of the acquiree or share - based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 "Share-based Payments" at the acquisition date.
- (iv) Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 "Non-current Assets Held for Sale" and Discontinued Operations are measured in accordance with that standard.
- (v) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

#### **3.02 Business Combinations - common control transactions**

Business Combinations involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and where that control is not transitory is accounted using the pooling of interests method as enumerated below:

- (i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- (ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies
- (iii) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- (iv) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with corresponding balance appearing in the financial statements of the transferee or is adjusted against capital reserve.
- (v) The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.
- (vi) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserves.
- (vii) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserves.





### 3.03 Property, plant and equipment

Property, Plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of input tax credit availed wherever applicable.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Group and the cost of item can be measured reliably.

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

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

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

Depreciation on property, plant and equipment is calculated on prorata basis on straight-line method using the useful lives of the assets estimated by management. The useful life is as follows:

Assets	Useful life (in years)
Building	30 and 60
Plant and Equipment	10 - 15
Furniture and Fixtures	10
Vehicles	8 and 10
Office Equipment	5
Mobile Phones	2
Computers	3
Servers and Networks	6

The useful lives have been determined based on technical evaluation done by the management's expert. In certain plant and machineries and mobile phones , useful lives are lower than those specified by schedule II to the Companies Act 2013 and are depreciated over the estimated useful lives of 10 years and 2 years respectively, in order to reflect the actual usage of assets. The residual values are not more than 5% of the original cost of the assets. The asset's residual values and useful lives are reviewed, and adjusted if appropriate.

Lease hold improvements are depreciated on straight line basis over shorter of the asset's useful life and their initial agreement period.

Leasehold land is amortized on a straight line basis over the unexpired period of their respective lease.

### 3.04 Investment Properties

Property that is held for long term rental yields or for capital appreciation or for both , and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Subsequent expenditure is capitalized to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. When significant parts of investment property are required to be replaced at intervals, the Group depreciates them separately based on their respective useful lives. All other repair and maintenance cost are expensed when incurred.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an external independent valuer applying a valuation model as per Ind AS 113 " Fair value measurement".

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Investment properties are depreciated using straight line method over their estimated useful life.

Transfer of property from investment property to the property, plant and equipment is made when the property is no longer held for long term rental yields or for capital appreciation or both at carrying amount of the property transferred.



### 3.05 Intangible assets

#### Separately acquired intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Cost of intangible assets acquired in business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life as under

Assets	Useful life
Computer Software	3 years
Other intangibles	27 months

#### Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate all the following:

- i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- ii) Its intention to complete the asset;
- iii) Its ability to use or sale the asset;
- iv) How the asset will generate future economic benefits;
- v) The availability of adequate resources to complete the development and to use or sale the asset; and
- vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on straight line basis over the estimated useful life. During the period of development, the asset is tested for impairment annually.

### 3.06 Impairment of non- financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five to eight years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the 8th year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.





For assets excluding goodwill and intangible assets having indefinite life, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at March 31 and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. Intangible assets with indefinite useful lives are tested for impairment annually as at March 31 at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

### **3.07 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.

#### **(i) Financial Assets**

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortized cost

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them

#### **Initial recognition and measurement**

With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient and are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 'Revenue from contracts with customers'.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

#### **Subsequent measurement**

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

#### **Financial assets at amortised cost (debt instruments)**

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- a) **Business Model Test** : The objective is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes) and;
- b) **Cash flow characteristics test**: The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.



This category is most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortized 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 EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in other income in profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

#### **Financial assets at fair value through OCI (FVTOCI) (debt instruments)**

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

- a) **Business Model Test** : The objective of financial instrument is achieved by both collecting contractual cash flows and selling the financial assets; and
- b) **Cash flow characteristics test**: The contractual terms of the Debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt Instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognized in statement of profit and loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

#### **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss. This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

#### **Financial assets designated at fair value through OCI (equity instruments)**

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

#### **Embedded Derivatives**

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

#### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's statement of financial position) when:

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

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

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





#### **Impairment of financial assets**

In accordance with IND AS 109, the Group applies expected credit losses( ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income(FVTOCI);

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group follows "simplified approach" for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables;
- All lease receivables resulting from the transactions within the scope of Ind AS 116 -Leases

Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

**(a) Financial assets measured as at amortised cost:** ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

**(b) Loan commitments and financial guarantee contracts:** ECL is presented as a provision in the balance sheet, i.e. as a liability.

**(c) Debt instruments measured at FVTOCI:** For debt instruments measured at FVTOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the accumulated impairment amount.

#### **(ii) Financial liabilities:**

##### **Initial recognition and measurement**

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group financial liabilities include loans and borrowings, trade payables, trade deposits, retention money, liabilities towards services, sales incentive and other payables.

##### **Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- (i) Financial liabilities at fair value through profit or loss
- (ii) Financial liabilities at amortised cost (loans and borrowings)

##### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationship as defined by Ind AS 109. The separated embedded derivate are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

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

##### **Financial liabilities at amortised cost (Loans and borrowings)**

After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the Effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognised as well as through the Effective interest rate amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective interest rate. The Effective interest rate amortization is included as finance costs in the statement of profit and loss.



#### **Trade Payables**

These amounts represents liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 120 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using Effective interest rate method.

#### **Financial guarantee contracts**

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

#### **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 recognized in the statement of profit and loss.

#### **Offsetting of financial instruments**

Financials 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

#### **Reclassification of financial assets/ financial liabilities**

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

### **3.08 Derivative financial instruments and hedge accounting**

#### **Initial recognition and subsequent measurement**

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- (i) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- (ii) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- (iii) Hedges of a net investment in a foreign operation

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

#### **(i) Fair value hedges**

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.





**(ii) Cash flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.  
The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.  
Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.  
If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

**3.09 Inventories**

**a) Basis of valuation:**

Inventories are valued at lower of cost and net realizable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

**b) Method of Valuation:**

- i) Cost of raw materials has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.
- ii) Cost of finished goods and work-in-progress includes direct labour and an appropriate share of fixed and variable production overheads and excise duty as applicable. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Cost is determined on moving weighted average basis.
- iii) Cost of traded goods has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.
- iv) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.
- v) Development rights represent actual amount paid under agreement towards purchase of land/development rights for acquiring irrevocable and exclusive licenses/development rights in identified land or constructed properties valued at cost and net realizable value, whichever is lower.

**3.10 Non-current assets held for sale and discontinued operations**

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any expected loss is recognized immediately in the statement of profit and loss.

The criteria for held for sale classification is regarded as met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold. The Group treats sale of the asset to be highly probable when:

- i) The appropriate level of management is committed to a plan to sell the asset
- ii) An active programme to locate a buyer and complete the plan has been initiated (if applicable)
- iii) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- iv) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- v) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition and the assets must have actively marketed for sale at a price that is reasonable in relation to its current fair value. Actions required to complete the sale should indicate that it is unlikely that significant changes to the plan to sale these assets will be made. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized. Assets and liabilities classified as held for sale are presented separately as current items in the balance sheet.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- i) Represents a separate major line of business or geographical area of operations,
- ii) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
- iii) Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.



### 3.11 Taxes

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

#### a) Current income tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

Current income tax relating to item recognized outside the statement of profit and loss is recognized outside profit or loss (either in other comprehensive income or equity). Current tax items are recognized in correlation to the underlying transactions either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### b) Deferred Tax

Deferred tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

**Deferred tax liabilities are recognised for all taxable temporary differences, except:**

- i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ii) In respect of taxable temporary differences associated with investments in associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ii) In respect of deductible temporary differences associated with investments in associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or direct in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realized are recognised in profit or loss.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of reduction from deferred tax liability. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

In the situations where any unit of the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the unit's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Group restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.





### **3.12 Revenue from contract with customers**

The Group manufactures/ trades and sells a range of pharmaceutical and healthcare products. Revenue from contracts with customers involving sale of these products is recognized at a point in time when control of the product has been transferred, and there are no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products are shipped to specific location and control has been transferred to the customers. The Group has objective evidence that all criterion for acceptance has been satisfied.

#### **(a) Sale of goods**

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods and there are no unfulfilled obligations.

The Group considers, whether there are other promises in the contract in which there are separate performance obligations, to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group allocates a portion of the transaction price to goods bases on its relative standalone prices and also considers the following:-

##### **(i) Variable consideration**

The Group recognizes revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

##### **(ii) Sales Return**

The Group 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 Group's estimate of expected sales returns. With respect to established products, the Group considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Group's business and markets. With respect to new products introduced by the Group, such products have historically been either extensions of an existing line of product where the Group has historical experience or in therapeutic categories where established products exist and are sold either by the Group or the Group's competitors.

##### **(iii) Significant Financing Components**

In respect of short-term advances from its customers, using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be within normal operating cycle.

##### **(iv) Schemes**

The Group operates several sales incentive programmes wherein the customers are eligible for several benefits on achievement of underlying conditions as prescribed in the scheme programme such as credit notes, reimbursement, investments etc. Revenue from contract with customer is presented deducting cost of all these schemes.

#### **(b) Sale of services**

Revenues from services are recognised as and when services are rendered and on the basis of contractual terms with the parties. The performance obligation in respect of professional services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of services. Further, obligation of the Group is to provide shared services to its group companies and accordingly recognises revenue over the period of the contract based on the services rendered.

#### **c) 'Revenue from real estate projects**

Revenue from constructed properties for all projects is recognized in accordance with the Ind AS 115 "Revenue from contracts with customers" percentage of completion method and on the percentage of actual project costs incurred thereon to total estimated project cost, provided the conditions specified in Guidance Note are satisfied.

#### **d) Sale of development rights**

Sale of development rights is recognized in the financial year in which the agreements of sale are executed and there exists no uncertainty in the ultimate collection of consideration from buyers.

#### **e) Other Operating Revenues**

##### **(i) Rental Income**

Rental income arising from operating leases on investment properties is accounted for on a straight - line basis over the lease terms and is included in other income in the statement of profit or loss due to its non-operating nature.

##### **(ii) Interest Income**

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.



**(iii) Export benefit**

Revenue from export benefits arising from Duty entitlement pass book (DEPB scheme), duty drawback scheme, merchandise export incentive scheme are recognised on export of goods in accordance with their respective underlying scheme at fair value of consideration received or receivable.

**(c) Contract balances**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. A receivables represents the Group's right to an amount of consideration that is unconditional.

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

A trade receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (Financial instruments - initial recognition and subsequent measurement).

**3.13 Retirement and other employee benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other long-term employee benefit obligations**

**a) Gratuity**

The Group has a defined benefit plan (the "Gratuity Plan"). The Gratuity Plan provides a lump sum payment to employees who have completed four years and two forty days or more of service at retirement, disability or termination of employment, being an amount based on the respective employee's last drawn salary and the number of years of employment with the Group.

The Gratuity Plan, which is defined benefit plan, is either funded or managed by Trust with its Investments. The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Group contributes to the Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds is provided for as assets/ (liability) in the books. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under Employee benefit expense in statement of profit or loss:

a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements

b) Net interest expense or income

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

**b) Provident fund**

Retirement benefit in the form of provident fund is a defined contribution scheme. the Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable through provident fund scheme as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excesses recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

**c) Other employee benefits**

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

Remeasurement 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 and are never reclassified to statement of profit and loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

**3.14 Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Group as a lessee**

The Group's lease asset classes primarily comprise of lease for land and building. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.





**i) Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the building (i.e. 30 and 60 years).

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to Impairment. Refer to the accounting policies in section 'Impairment of non-financial assets'.

**ii) Lease Liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

**(iii) Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases for which the Group is a lessor is classified as finance or operating lease. Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**3.15 Government Grants**

Government Grants are recognized at their fair value when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Government grant related to the non-monetary asset are recognised at nominal value and presented by deducting the same from carrying amount of related asset and the grant is then recognised in profit or loss over the useful life of the depreciable asset by way of a reduced depreciation charge.

**3.16 Segment reporting :**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of directors monitors the operating results of all product segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

**3.17 Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

**3.18 Borrowing Costs**

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are recognized as expense in the period in which they occur.

**3.19 Exceptional Items**

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Group's financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments in associates and joint venture and impairment losses/ write down in value of investment in subsidiaries, associates and joint venture and significant disposal of fixed assets etc.



### 3.20 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit 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.

### 3.21 Foreign currency translation

#### (i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Group's financial statements are presented in Indian rupee (INR) which is also the Group's functional and presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are generally recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

#### (iii) Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

#### Group Companies

On consolidation, the results and financial position of foreign operations that have a functional currency different from the presentation currency (INR) are translated to the presentation currency (INR) in the following manner:

- a) Assets and liabilities are translated at the rate of exchange prevailing at the reporting date
- b) Their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions
- c) All resulting exchange differences arising on translation of financial statement of foreign operations for consolidation are recognised in other comprehensive income.
- d) On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.
- e) Any Goodwill arising on the acquisition/business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.
- f) Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

### 3.22 Provisions and Contingent Liabilities

#### Provisions

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

#### Sales Return

Provisions for sales returns is determined based on the historical percentage of sales return for the same types of goods for which the provision is currently being determined. The same percentage to the sales is applied for the current accounting period to derive the provision for sales return to be accrued. It is very unlikely that actual sales return will exactly match the historical percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence.





### **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 Group or a present obligation that is not recognized 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 recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

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

### **3.23 Dividend Distributions**

The Group recognizes a liability to make the payment of dividend to owners of equity, when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### **3.24 Fair value measurement**

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary 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:

- (i) In the principal market for asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or 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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1-** Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2-** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

**Level 3-** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### **3.25 Changes in accounting policies and disclosures**

#### **New and amended standards**

The Group applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below. Several other amendments apply for the first time for the year ending March 31, 2020, but do not have an impact on the Consolidated financial statements of the Group.

#### **(i) Ind AS 116 Leases**

##### **The Group as a lessee**

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Refer note 56 for detailed impact on adoption of Ind AS 116 Leases on the financial statements of the Group.



**(ii) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment**

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

1. Whether an entity considers uncertain tax treatments separately
2. The assumptions an entity makes about the examination of tax treatments by taxation authorities
3. How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
4. How an entity considers changes in facts and circumstances

The Group has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. In determining the approach that better predicts the resolution of the uncertainty, the Group has considered, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The Group determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. The Appendix did not have an impact on the Consolidated financial statements of the Group.

**(iii) Amendments to Ind AS 109: Prepayment Features with Negative Compensation**

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

These amendments have no impact on the Consolidated financial statements of the Group.

**(iv) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement**

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- (a) Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- (b) Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments had no impact on the Consolidated financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the period.

**(iv) Amendments to Ind AS 28: Long-term Interests in associates and joint ventures**

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

These amendments had no impact on the Consolidated financial statements.

**Annual Improvements to Ind AS 2018**

**(i) Ind AS 103 Business Combinations**

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation. An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 April 2019.

These amendments had no impact on the Consolidated financial statements of the Group as there is no transaction where joint control is obtained.

**(ii) Ind AS 111 Joint Arrangements**

An entity that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured. An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 April 2019.

These amendments had no impact on the Consolidated financial statements of the Group as there is no transaction where a joint control is obtained.

**(iii) Ind AS 12 Income Taxes**

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.





An entity applies the amendments for annual reporting periods beginning on or after 1 April 2019. Since the Group's current practice is in line with these amendments, they had no impact on the Consolidated financial statements of the Group.

**(iv) Ind AS 23 Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Group's current practice is in line with these amendments, they had no impact on the Consolidated financial statements of the Group.

**3.26 Significant accounting judgments, estimates and assumptions**

The preparation of the Consolidated financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these judgements, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

**Judgments**

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements.

**a) Leases**

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**a) Taxes**

Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

**b) Gratuity benefit**

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for India. Future salary increases and pension increases are based on expected future inflation rates for India. Further details about the assumptions used, including a sensitivity analysis, are given in Note 39.

**c) Fair value measurement of financial instrument**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**d) Impairment of financial assets**

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.



**e) Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's CGU's fair value less cost of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are estimated based on past trend and discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

**f) Provision for sales return**

Provisions for sales returns is determined based on the historical percentage of sales return for the same types of goods for which the provision is currently being determined. The same percentage to the sales is applied for the current accounting period to derive the provision for sales return to be accrued. It is very unlikely that actual sales return will exactly match the historical percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence.

**g) Provision for expected credit losses (ECL) of trade receivables and contract assets**

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 22.

**h) Property, Plant and Equipment**

Property, Plant and Equipment represent significant portion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of assets expected useful life and expected value at the end of its useful life. The useful life and residual value of Group's assets are determined by Management at the time asset is acquired and reviewed periodically including at the end of each year. The useful life is based on historical experience with similar assets, in anticipation of future events, which may have impact on their life such as change in technology.

**3.27 Standards issued but not effective**

There are no standards that are issued but not yet effective on March 31, 2020.





Mankind Pharma Limited  
Notes forming part of the consolidated financial statements for the year ended March 31, 2020  
All amounts are in INR lacs unless otherwise stated

4 Property, plant and equipment

Carrying amounts of :

	March 31, 2020	March 31, 2019 (Restated)	As at April 01, 2018 (Restated)
Own Assets:			
Freehold land	24,175.24	23,874.55	24,792.23
Leasehold land	-	4,919.79	3,934.85
Leasehold improvements	364.06	320.73	1.62
Building	49,739.92	41,667.65	28,002.61
Plant and machinery	65,350.11	54,792.81	36,148.08
Furniture and fixtures	5,873.12	5,683.09	3,218.49
Vehicles	2,263.11	1,653.96	1,546.09
Office equipment	836.06	1,051.20	732.38
Computers	1,280.01	1,249.60	618.72
Right-of-use assets:			
Leasehold land	4,890.25	-	-
Building	362.53	-	-
	<b>1,55,134.41</b>	<b>1,35,213.38</b>	<b>98,995.07</b>
Capital work in progress	31,325.86	32,680.29	49,609.17
	<b>1,86,460.27</b>	<b>1,67,893.67</b>	<b>1,48,604.24</b>

Right of Use assets

	Right of Use assets	Right of Use assets	Total	Capital Work in Progress
	Leasehold Land	Leasehold Land		
	Building	Building		
	Computers	Computers		
	Office equipment	Office equipment		
	Vehicles	Vehicles		
	Furniture and fixtures	Furniture and fixtures		
	Plant and machinery	Plant and machinery		
	Building	Building		
	Leasehold improvements	Leasehold improvements		
	Leasehold land	Leasehold land		
	Freehold land	Freehold land		
	24,792.23	4,049.18	2.20	
	106.14	1,059.39	343.00	
	(1,023.82)	(6.70)	0.14	
	<b>23,874.55</b>	<b>5,101.87</b>	<b>345.34</b>	
	306.11	-	152.18	
	-	-	0.21	
	-	-	-	
	(4.57)	(5,101.87)	-	
	(0.85)	-	-	
	<b>24,175.24</b>	<b>-</b>	<b>497.73</b>	
	3,390.09	12,629.60	2,694.28	
	1,123.44	3,877.75	252.83	
	0.03	(106.94)	(1.52)	
	-	11.07	-	
	<b>4,322.99</b>	<b>16,411.48</b>	<b>3,346.85</b>	
	1,483.21	5,377.31	842.17	
	0.11	(202.47)	(1.08)	
	-	-	-	
	<b>182.08</b>	<b>24.61</b>	<b>108.95</b>	
	3,934.85	21,586.32	4,187.94	
	4,919.79	36,148.08	3,218.49	
	-	54,792.81	5,683.09	
	-	65,350.11	1,653.96	
	<b>24,175.24</b>	<b>49,739.92</b>	<b>364.06</b>	
	2,150.98	2,150.98	2,150.98	
	412.30	412.30	412.30	
	(8.91)	(8.91)	(8.46)	
	<b>9,029.93</b>	<b>2,490.78</b>	<b>1,825.20</b>	
	990.82	990.82	166.79	
	(262.90)	(262.90)	(11.82)	
	-	-	-	
	-	-	-	
	31.90	31.90	438.67	
	(0.50)	(0.50)	(0.50)	
	-	-	-	
	4,919.79	4,919.79	-	
	-	-	-	
	-	-	-	
	<b>446.43</b>	<b>4,951.69</b>	<b>1,980.17</b>	
	512.05	512.05	503.53	
	272.03	272.03	277.43	
	(0.06)	(0.06)	(6.96)	
	-	-	-	
	<b>784.02</b>	<b>2,471.79</b>	<b>784.02</b>	
	408.17	408.17	379.49	
	(0.41)	(0.41)	(9.38)	
	-	-	-	
	<b>83.90</b>	<b>61.44</b>	<b>108.95</b>	
	9,072.11	9,072.11	842.17	
	(421.93)	(421.93)	(208.70)	
	(182.08)	(182.08)	-	
	-	-	-	
	<b>26,682.85</b>	<b>1,191.78</b>	<b>774.00</b>	
	20,449.35	20,449.35	21,586.32	
	6,549.32	6,549.32	5,683.09	
	(326.89)	(326.89)	1,653.96	
	11.07	11.07	2,263.11	
	-	-	-	
	<b>31,325.86</b>	<b>1,90,285.36</b>	<b>31,325.86</b>	

Gross carrying value:

Balance as at 01 April 2018	24,792.23	4,049.18	2.20	31,392.70	48,777.68	5,912.77	2,150.98	1,235.91	1,130.77	438.67	446.43	29,365.97	14,513.85
Additions	106.14	1,059.39	343.00	18,667.29	22,627.04	3,126.07	412.30	597.75	903.00	(0.50)	31.90	47,841.98	3,942.23
Disposals/ adjustments	(1,023.82)	(6.70)	0.14	(4,069.35)	(200.43)	(8.91)	(72.50)	(8.46)	(0.15)	(0.15)	-	(5,390.18)	(20,871.11)
Balance as at March 31, 2019	<b>23,874.55</b>	<b>5,101.87</b>	<b>345.34</b>	<b>45,990.64</b>	<b>71,204.29</b>	<b>9,029.93</b>	<b>2,490.78</b>	<b>1,825.20</b>	<b>2,033.62</b>	<b>0.02</b>	<b>1,61,896.22</b>	<b>14,513.85</b>	<b>32,680.29</b>
Additions	306.11	-	152.18	9,555.48	16,255.46	1,054.03	990.82	166.79	438.67	(0.50)	446.43	29,365.97	14,513.85
Disposals/ adjustments	-	-	0.21	-	(523.32)	(22.90)	(262.90)	(11.82)	(0.50)	-	-	(821.23)	(15,868.28)
Transition impact on account of adoption of Ind AS 116 "Leases" (refer Note 56)	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassified on account of adoption of Ind AS 116 "Leases" (refer Note 56)	(4.57)	(5,101.87)	-	-	-	-	-	-	-	-	-	-	-
Transfer to Investment property (refer note 5)	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to assets held for sale	(0.85)	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	<b>24,175.24</b>	<b>-</b>	<b>497.73</b>	<b>55,546.12</b>	<b>86,936.43</b>	<b>10,061.06</b>	<b>3,218.70</b>	<b>1,980.17</b>	<b>2,471.79</b>	<b>4,951.69</b>	<b>446.43</b>	<b>1,90,285.36</b>	<b>31,325.86</b>

Accumulated depreciation:

Balance as at 01 April 2018	-	114.33	0.58	3,390.09	12,629.60	2,694.28	634.89	503.53	512.05	-	-	20,449.35	-
Depreciation expense	-	67.75	24.00	1,123.44	3,877.75	654.09	252.83	277.43	272.03	-	-	6,549.32	-
Disposals/ adjustments	-	0.00	0.03	(190.54)	(106.94)	(1.52)	(20.90)	(6.96)	(0.06)	-	-	(326.89)	-
Impairment loss	-	-	-	-	11.07	-	-	-	-	-	-	11.07	-
Balance as at March 31, 2019	-	<b>182.08</b>	<b>24.61</b>	<b>4,322.99</b>	<b>16,411.48</b>	<b>3,346.85</b>	<b>836.82</b>	<b>774.00</b>	<b>784.02</b>	<b>-</b>	<b>-</b>	<b>26,682.85</b>	<b>-</b>
Depreciation expense (refer note 33)	-	-	108.95	1,483.21	5,377.31	842.17	327.47	379.49	408.17	-	-	9,072.11	-
Disposals/ adjustments	-	-	0.11	-	(202.47)	(1.08)	(208.70)	(9.38)	(0.41)	-	-	(421.93)	-
Reclassified on account of adoption of Ind AS 116 "Leases" (refer Note 56)	-	(182.08)	-	-	-	-	-	-	-	-	-	(182.08)	-
Balance as at March 31, 2020	-	-	<b>133.67</b>	<b>5,806.20</b>	<b>21,586.32</b>	<b>4,187.94</b>	<b>955.59</b>	<b>1,144.11</b>	<b>1,191.78</b>	<b>61.44</b>	<b>83.90</b>	<b>35,150.95</b>	<b>-</b>
Balance as at April 01, 2018	<b>24,792.23</b>	<b>3,934.85</b>	<b>1.62</b>	<b>28,002.61</b>	<b>36,148.08</b>	<b>3,218.49</b>	<b>1,546.09</b>	<b>732.38</b>	<b>618.72</b>	<b>-</b>	<b>-</b>	<b>98,995.07</b>	<b>49,609.17</b>
Balance as at March 31, 2019	<b>23,874.55</b>	<b>4,919.79</b>	<b>320.73</b>	<b>41,667.65</b>	<b>54,792.81</b>	<b>5,683.09</b>	<b>1,653.96</b>	<b>1,051.20</b>	<b>1,249.60</b>	<b>-</b>	<b>-</b>	<b>1,35,213.38</b>	<b>32,680.29</b>
Balance as at March 31, 2020	<b>24,175.24</b>	<b>-</b>	<b>364.06</b>	<b>49,739.92</b>	<b>65,350.11</b>	<b>5,873.12</b>	<b>2,263.11</b>	<b>836.06</b>	<b>1,280.01</b>	<b>4,890.25</b>	<b>362.53</b>	<b>1,55,134.41</b>	<b>31,325.86</b>

Note :

- During the year ended March 31, 2020, additions to plant and equipment includes INR 293.20 lacs (March 31, 2019 : INR 342.98 lacs) on account of government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on import of plant and equipment. Closing balance of Capital work-in-progress as at March 31, 2020 include INR 664.71 lacs (as at March 31, 2019 : INR 796.61 lacs) for this benefit.
- Capital expenditure in relation to research and development activity incurred during the year is included in additions to property, plant and equipment/capita work in progress. For details see Note 38.
- Capital work in progress as at March 31, 2020 includes assets under construction at various plants including new under construction head office.
- Disclosure of contractual commitments for the acquisition of property, plant and equipment has been provided in note 36B.
- The net block of leasehold land of INR 4,919.79 lacs (Gross Block: INR 5,101.87 lacs and accumulated depreciation: INR 182.08 lacs ) has been reclassified to 'Right of Use' assets on account of adoption of Ind AS 116 'Leases'. Refer note 56.



5 Investment properties

	As at March 31, 2020	As at March 31, 2019 (Restated)	As at April 01, 2018 (Restated)
<b>Non-Current Carrying amounts of:</b>			
Freehold land	383.23	378.64	442.91
Building	172.59	660.43	697.39
	<b>555.82</b>	<b>1,039.07</b>	<b>1,140.30</b>
	<b>Freehold land</b>	<b>Building</b>	<b>Total</b>
<b>Gross block (at cost)</b>			
<b>Balance as at 01 April 2018</b>			
Additions	442.91	723.47	<b>1,166.38</b>
Disposals/ adjustments	-	-	-
<b>Balance as at March 31, 2019</b>	<b>442.91</b>	<b>723.47</b>	<b>1,166.38</b>
Additions	4.59	-	4.59
Disposals/ adjustments	-	(522.63)	(522.63)
<b>Balance as at March 31, 2020</b>	<b>383.23</b>	<b>172.59</b>	<b>555.82</b>
<b>Accumulated depreciation:</b>			
<b>Balance as at 01 April 2018</b>			
Depreciation expense	-	26.08	<b>26.08</b>
Disposals/ adjustments	-	8.71	8.71
<b>Balance as at March 31, 2019</b>	<b>-</b>	<b>34.79</b>	<b>34.79</b>
Depreciation expense	-	0.00	0.00
Disposals/ adjustments	-	0.73	0.73
<b>Balance as at March 31, 2020</b>	<b>-</b>	<b>(35.52)</b>	<b>(35.52)</b>
<b>Net carrying value:</b>			
<b>Balance as at April 01, 2018</b>	<b>442.91</b>	<b>697.39</b>	<b>1,140.30</b>
<b>Balance as at March 31, 2019</b>	<b>378.64</b>	<b>660.43</b>	<b>1,039.07</b>
<b>Balance as at March 31, 2020</b>	<b>383.23</b>	<b>172.59</b>	<b>555.82</b>

Information regarding income & expenditure of investment property:

	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Rental Income from investment properties	8.12	31.38
b) Less : Direct operating expenses - generating rental income	-	(5.21)
c) Less: Depreciation charge	(0.73)	(8.71)
<b>d) Profit arising on the same</b>	<b>7.39</b>	<b>17.46</b>

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
e) Fair value of investment property	594.02	612.58	2,489.10

Note :

1. Investment property represents, land and building under construction at Distt - Tehri Garhwal amounting to INR 551.25 lacs (March 31, 2019: INR 1,039.07 lacs) (April 01, 2018: INR 1,140.30 lacs) given on lease, and includes land and building being a premise in Meerut, Uttar Pradesh, held for capital appreciation purpose amounting to INR 4.57 lacs (March 31, 2019: Nil) (April 01, 2018: Nil).

Fair Value Hierarchy

The above fair valuation are based on valuations performed by an accredited independent valuer, who is specialised in valuing such type of investment property. The Group has no restrictions on the realisability of its investment property and no contractual obligation to purchase, construct or develop or for repair & maintenance.

Description of Valuation Technique used:

The Group obtains Independent Valuations of its investment properties as at the year end. The fair value of the investment properties have been derived using the Direct Comparison Method. The direct comparison approach involves a comparison of the investment properties to similar properties that have actually been sold in arms-length distance from investment properties or are offered for sale in the same region. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market, and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This approach leads to a reasonable estimation of the prevailing price. Given that the comparable instances are located in close proximity to the investment properties; these instances have been assessed for their locational comparative advantages and disadvantages while arriving at the indicative price assessment for investment properties.

The fair value of investment property has been determined by Akhil Kumar and Associates, Government approved valuer. The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment property are included in level 3.

Sensitivity analysis of the investment property fair value assumptions

Further the Group has performed sensitivity analysis on the assumptions used by the valuer and ensured that the valuation of investment property is appropriate.







**Mankind Pharma Limited**  
**Notes forming part of the consolidated financial statements for the year ended March 31, 2020**  
**All amounts are in INR lacs unless otherwise stated**

**b. Impairment of Goodwill and other intangible assets**

The Group performed its annual impairment test for Goodwill and intangible assets with indefinite useful lives for years ended 31 March 2020 and 31 March 2019, to ascertain the recoverable amount of CGU which is single cash generating unit i.e. pharmaceuticals business. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. The recoverable amount is determined based on value in use calculation. These calculations use management assumptions and pre tax cash flow projections based on financed budgets approved by management covering a 5 to 8 years time period. The Group has provided for an impairment loss on goodwill of INR 0.34 lacs and Impairment loss of INR 2,076.60 lacs in 'Right of use-Brand' with respect to its subsidiary 'Mahananda Spa and Resorts Private Limited' for the year ended March 31, 2020 (INR 2,2050.70 lacs and INR Nil for the year ended March 31, 2019 respectively).

The Group has performed a detailed analysis to identify indicators of impairment in respect of its assets considering internal and external factors in accordance with Ind-AS 36 - Impairment of assets. The Group has allocated assets wherever indicators exist to its respective Cash Generating Unit i.e. Pharmaceutical and healthcare products, Real estate and hospitality and performed impairment test to ascertain the recoverable amount. The recoverable amount is determined either based on value in use calculation or net selling price.

(i) The Group uses discounted cash flow method for calculating recoverable amount in respect of CGU of Pharmaceutical and healthcare products. The discounted cash flow calculations uses management assumptions and pre tax cash flow projections based on financed budgets approved by respective entities management covering a 5 to 8 years period. Cash flow projection beyond 5 to 8 years time period are extrapolated using the estimated growth rates which is consistent with forecasts included in industry reports specific to industry in which CGU operates. Management has determined following assumptions for impairment testing of investments as stated below.

Assumption	Pharmaceutical / packing	Approach used in determining value
Weighted average Cost of capital % (WACC) before tax (discount rate)	12.50-14%	It has been determined basis risk free rate of return adjusted for equity risk premium.
Long Term Growth Rate	0.04	Long term growth rate has been taken basis financial budgets and projections approved by management which is in line with industry growth rate

(ii) The Group uses the Direct Comparison Method in case of hospitality and real estate business. The direct comparison approach involves a comparison of the properties to similar properties that have actually been sold in arms-length distance from properties or are offered for sale in the same region. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market, and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This approach leads to a reasonable estimation of the prevailing price. Given that the comparable instances are located in close proximity to the properties; these instances have been assessed for their locational comparative advantages and disadvantages while arriving at the indicative price assessment for properties.

The fair value has been determined by Akhil Kumar and Associates, Government approved valuer and Colliers International (India) Property Services Pvt. Ltd. The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates are included in level 3.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The calculations performed indicate that there is impairment of investments in real estate sector, hospitality sector and few pharma and pharma packing investments. Management has performed a sensitivity analysis with respect to changes in assumptions for assessment of value-in-use of Investments. Based on this analysis, management believes that change in any of above assumption would not cause any material possible change in carrying value of unit's CGU over and above its recoverable amount, other than those already accounted as at March 31, 2020.

**Sensitivity analysis of assumptions**

Further the Group has performed sensitivity analysis on the assumptions used by the valuer and ensured that the valuation is appropriate and appropriate accrual has been made for provision of impairment wherever considered necessary.





7 Investment in associates and joint ventures	Face Value per share	As at March 31, 2020		As at March 31, 2019 (Restated)		As at April 01, 2018 (Restated)	
		Units/ shares (in nos.)	Amount	Units/ shares (in nos.)	Amount	Units/ shares (in nos.)	Amount
<b>Non- Current</b>							
<b>(a) Investment in unquoted equity Instruments - (carrying amount determined using the equity method of accounting)</b>							
<b>Associates</b>							
ANM Pharma Private Limited	INR 10	7,85,606	209.71	7,85,606	160.31	7,85,606	174.52
Sirmour Remedies Private Limited	INR 100	40,000	4,863.95	40,000	4,610.71	40,000	4,454.81
Less : Provision for the diminution in the value of Investment			(2,500.00)				
			2,363.95				
<b>(c) Investment in partnership firms (see note (b) below)</b>							
<b>Joint controlled entities</b>							
Superba Bulldwell			1,389.71		1,409.99		1,547.29
Superba Developers			1,360.29		1,361.32		1,242.86
Superba Bulldwell (South)			2,762.60		2,759.83		2,766.33
<b>Associates</b>							
J K Print Packs			3,245.35				
			(2,050.00)				
N S Industries			3,295.32		3,150.32		
			(400.00)				
A S Packers					3,239.12		
Om Sal Pharma Pack			2,247.63		2,155.62		
			2,813.42		2,716.96		2,618.58
			(800.00)				
			2,013.42				
<b>Total</b>			<b>16,437.98</b>		<b>21,564.18</b>		<b>12,804.39</b>
Aggregate amount of unquoted Investments			16,437.98		21,564.18		12,804.39
Aggregate amount of Impairment in value of Investment			5,750.00				

- Notes:**
- Investment in associates are accounted for using the equity method in the consolidated financial statements.
  - Investment in partnership firms are measured at equity method, and are shown as net of contribution, drawings and share of profit/ loss for the respective year.
  - Following are the details of Investment in partnership firms disclosing their capital and share in profit / (loss) as at March 31, 2020 and March 31, 2019:

Partnership Firm	Partners	Capital March 31, 2020		Share of profit		Capital March 31, 2019		Share of profit		Capital April 01, 2018		Share of profit	
		Capital	Share of profit	Capital	Share of profit	Capital	Share of profit	Capital	Share of profit	Capital	Share of profit		
Superba Bulldwell	Rajeev Juneja	90.90	3.30%	93.06	3.30%	102.12	3.30%						
	Sheelal Arora	77.12	2.80%	78.96	2.80%	86.65	2.80%						
	Rakesh Gupta	275.44	10.00%	282.01	10.00%	309.46	10.00%						
	Deepal Garq	275.44	10.00%	282.01	10.00%	309.46	10.00%						
	Rashi Singhal	70.22	5.00%	73.50	5.00%	87.23	5.00%						
	Shaun Singhal Garq	50.22	5.00%	53.50	5.00%	67.23	5.00%						
	Mankind Pharma Ltd	1,377.22	50.00%	1,410.03	50.00%	1,547.29	50.00%						
	Arjun Juneja	107.42	3.90%	109.98	3.90%	120.69	3.90%						
		<b>2,599.42</b>	<b>100.00%</b>	<b>2,665.06</b>	<b>100.00%</b>	<b>2,939.59</b>	<b>100.00%</b>						
Superba Developers	Mankind Pharma Ltd	1,351.29	60.00%	1,361.32	60.00%	1,242.86	60.00%						
	Chirag Garq	214.78	15.00%	230.11	15.00%	226.04	15.00%						
	Usha Gupta	214.78	15.00%	230.11	15.00%	226.04	15.00%						
	Rajeev Juneja	31.53	3.30%	32.08	3.30%	25.57	3.30%						
	Sheetal Arora	25.67	2.80%	26.13	2.80%	20.61	2.80%						
	Arjun Juneja	16.12	3.90%	16.77	3.90%	9.07	3.90%						
	<b>1,854.17</b>	<b>100.00%</b>	<b>1,896.52</b>	<b>100.00%</b>	<b>1,750.19</b>	<b>100.00%</b>							
Superba Bulldwell (South)	Ajal Aqarwal	194.51	10.00%	194.12	10.00%	195.05	10.00%						
	Mankind Pharma Ltd	2,762.60	70.00%	2,759.83	70.00%	2,766.33	70.00%						
	Paraq Gupta	194.51	10.00%	194.12	10.00%	195.05	10.00%						
	Uma Gupta	194.51	10.00%	194.12	10.00%	195.05	10.00%						
	<b>3,346.13</b>	<b>100.00%</b>	<b>3,342.19</b>	<b>100.00%</b>	<b>3,351.48</b>	<b>100.00%</b>							
J K Print Packs	Arjun Juneja	-	-	-	-	489.50	33.00%						
	Veer Pal Singh	375.54	18.50%	355.86	18.50%	275.85	18.50%						
	Nikunl Tyagi	429.78	18.50%	354.43	18.50%	274.42	18.50%						
	Konark Bansal	500.57	30.00%	519.31	30.00%	428.56	30.00%						
	Applan Properties Private Limited	652.29	33.00%	564.26	33.00%	428.56	30.00%						
	<b>1,958.18</b>	<b>100.00%</b>	<b>1,793.86</b>	<b>100.00%</b>	<b>1,468.33</b>	<b>100.00%</b>							
N S Industries	P.K. Arora	1,035.89	52.00%	962.51	52.00%	857.50	48.00%						
	Puneet Tyagi	920.27	48.00%	934.07	48.00%	962.51	52.00%						
	Applan Properties Private Limited	2,026.19	100.00%	1,896.58	100.00%	1,820.01	100.00%						
A S Packers	P.K. Arora	1,222.93	50.00%	1,131.09	50.00%	977.29	50.00%						
	Surbhl Tyagi	1,141.83	50.00%	1,049.99	50.00%	938.72	50.00%						
	Applan Properties Private Limited	2,364.76	100.00%	2,181.08	100.00%	1,916.01	100.00%						
Om Sal Pharma Pack	Arun Kumar Vasishtha	237.33	10.00%	189.47	10.00%	159.25	10.00%						
	Siddharth Vasishtha	233.23	10.00%	185.37	10.00%	154.30	10.00%						
	Deepak Mehendiratta	381.28	10.00%	333.42	10.00%	303.20	10.00%						
	Dhruv Mehendiratta	87.12	10.00%	39.26	10.00%	8.20	10.00%						
	Anshul Sikri	345.82	14.00%	278.83	14.00%	236.17	14.00%						
	Pochiraju Venkata Padmaja	139.76	6.00%	111.04	6.00%	92.40	6.00%						
	Esha Arora Tiwari	1,347.98	20.00%	1,252.26	20.00%	1,190.14	20.00%						
	Mankind Pharma Ltd	2,828.51	20.00%	2,732.79	20.00%	2,670.67	20.00%						
	<b>5,601.03</b>	<b>100.00%</b>	<b>5,122.44</b>	<b>100.00%</b>	<b>4,814.33</b>	<b>100.00%</b>							



d. Impairment of Investments

The Group has performed a detailed analysis to identify indicators of Impairment in respect of its investment portfolio considering internal and external factors in accordance with Ind-AS 36 - Impairment of assets. The Group has allocated investments wherever indicators exist to its respective Cash Generating Unit i.e. Pharmaceutical and healthcare products, Real estate and hospitality and performed impairment test to ascertain the recoverable amount. The recoverable amount is determined either based on value in use calculation or net selling price. The discounted cash flow calculations uses management assumptions and pre tax cash flow projections based on financial budgets approved by respective entities management covering a 5 to 8 years period. Cash flow projection beyond 5 to 8 years time period are extrapolated using the estimated growth rates which is consistent with forecasts included in industry reports specific to industry in which CGU operates. The fair value have been derived using the Direct Comparison Method. The direct comparison approach involves a comparison of the properties to similar properties that have actually been sold in arms-length distance from properties or are offered for sale in the same region. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market, and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. This approach leads to a reasonable estimation of the prevailing price. Given that the comparable instances are located in close proximity to the properties; these instances have been assessed for their locational comparative advantages and disadvantages while arriving at the indicative price assessment for properties. The fair value has been determined by Akhil Kumar and Associates, Government approved valuer. The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates are included in level 3. In respect of investment in real estate and hospitality, management has considered their fair value considering the Direct comparison method. Management has determined following assumptions for Impairment testing of investments as stated below.

Assumption	Pharmaceutical / packing	Approach used in determining value
Weighted average Cost of capital % (WACC) before tax (discount rate)	12.50-14%	It has been determined basis risk free rate of return adjusted for equity risk premium.
Long Term Growth Rate	4%	Long term growth rate has been taken basis financial budgets and projections approved by management which is in line with industry growth rate

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The calculations performed indicate that there is impairment of investments in some investments in real estate sector, hospitality sector and few pharma and pharma packing investments. Management has performed a sensitivity analysis with respect to changes in assumptions for assessment of value-in-use of Investments. Based on this analysis, management believes that change in any of above assumption would not cause any material possible change in carrying value of unit's CGU over and above its recoverable amount, other than those already accounted as at March 31, 2020.

Sensitivity analysis of assumptions

Further the Group has performed sensitivity analysis on the assumptions used by the valuer and ensured that the valuation is appropriate.

8 Non Current Investments

Non- Current

(a) Investment in unquoted equity Instruments measured at fair value through profit or loss (FVTPL), fully paid up

Other entities

Shivalik Solid Waste Management Limited

Face Value per share	As at March 31, 2020		As at March 31, 2019 (Restated)		As at April 01, 2018 (Restated)	
	Shares	Amount	Shares	Amount	Shares	Amount
INR 10	12,500	1.25	15,000	1.75	15,000	1.75
<b>Total</b>		<b>1.25</b>		<b>1.75</b>		<b>1.75</b>

Aggregate amount of unquoted Investments

Aggregate fair value of unquoted Investments

Aggregate amount of Impairment in value of Investment

1.25

1.25

1.75

1.75

1.75

1.75





9 Current Investments

	As at March 31, 2020		As at March 31, 2019 (Restated)		As at April 01, 2018 (Restated)	
	Units (in nos.)	Amount	Units (in nos.)	Amount	Units (in nos.)	Amount
<b>Investment in Mutual Investments (Quoted)</b>						
<b>Financial assets carried at fair value through profit or loss (FVTPL)</b>						
Aditya Birla SL - Corporate Bond Fund (G) Direct	14,79,459	1,167.06	10,68,196	770.87		
Aditya Birla SL - ST Opportunities Fund Reg (G)	7,22,037	239.54	13,49,618	417.22		
Aditya Birla Sun Life Arbitrage Fund - Dividend-Direct Plan	1,55,56,401	1,716.94				
Aditya Birla Sun Life Banking & PSU Debt Fund - Growth-Direct Plan	1,51,087	403.34				
Aditya Birla Sun Life Corporate Bond Fund - Growth - Regular						
Aditya Birla Sun Life Corporate Bond Fund - Growth-Direct Plan	4,37,353	345.00	33,55,642	458.87	33,55,642	434.24
Aditya Birla Sun Life Credit Risk Fund - Gr. DIRECT	16,10,500	236.92	46,52,586	914.41	42,15,232	560.83
Aditya Birla Sun Life Credit Risk Fund - Gr. Regular						
Aditya Birla Sun Life Credit Risk Fund Gr. DIRECT (Segregated Portfolio - 1)			15,46,384	211.46		
Aditya Birla Sun Life Floating Rate Fund - Growth-Direct Plan	16,10,500	6.98				
Aditya Birla Sun Life Low Duration Fund - Growth-Regular Plan	3,25,545	821.33				
Aditya Birla Sun Life Medium Term - Growth - Direct Plan	47,695	230.69				
Aditya Birla Sun Life Medium Term - Growth - Regular Plan			47,695	214.36		
Aditya Birla Sun Life Short Term Fund - Growth - Direct Plan			5,09,928	121.05	5,09,928	115.85
Aditya Birla Sun Life Short Term Opportunities Fund - Growth - Direct Plan			41,21,563	939.27	41,21,563	905.82
Aditya Birla Sun Life Short Term Opportunities Fund - Growth - Regular Plan			7,59,720	243.59	7,59,720	225.79
Aditya Birla Sun Life - Medium Term Plan Growth - Regular Plan					19,17,668	1,281.40
Aditya Birla Sun Life - Savings Fund (Growth) Direct Plan					29,67,622	856.32
Aditya Birla Sun Life - Short Term Opportunities Fund Growth - Direct Plan	1,11,826	448.23			7,34,858	161.50
Aditya Birla Sun Life - Short Term Opportunities Fund Growth - Regular Plan			58,695	218.21	58,695	201.87
Axis Banking & PSU Debt Fund - Direct Growth	70,991	1,377.93	11,93,811	369.05	3,46,319	102.93
Axis Dynamic Bond Fund - Direct Plan - Growth	29,26,702	671.70	59,686	1,056.17	11,93,811	344.48
Axis Enhanced Arbitrage Fund Direct Dividend						
Axis Fixed Income Opportunities Fund Growth					28,43,110	310.77
Axis Liquid Fund - Direct Growth			8,83,439	128.55	8,83,439	120.56
Axis Regular Savings Fund - Direct Growth	4,271	94.16	24,903.00	516.37		
Axis Regular Savings Fund - Direct Growth	23,86,222	494.77	36,14,587	692.39	36,14,587	640.47
Axis Regular Savings Fund - Growth					23,93,657	424.13
Axis Strategic Bond Fund - Regular Growth			31,37,803	570.76	31,37,803	531.50
Axis Ultra Short Term Fund Direct Growth	31,37,803	613.68				
Baroda - Credit Risk Fund Plan A (G)	29,59,705	335.69	29,59,705	310.90		
Baroda Pioneer Credit Opportunities Fund - Plan A Growth			13,18,577	187.84		
Baroda Pioneer Short Term Bond Fund - Plan B Growth					22,71,239	306.03
BHARAT Bond FOF - April 2023 - Direct Plan Growth					32,62,642	621.49
BNP Paribas - Medium Term Income Fund Growth	2,45,04,999	2,507.38				
Bnp Paribas Arbitrage Fund Direct Growth					71,48,418	991.44
DNP Paribas Arbitrage Fund Direct Monthly Dividend Reinvestment						
BOI AXA - Credit Risk Fund Direct	6,20,168	63.29				
BOI AXA Credit Risk Fund - Growth Direct			9,21,846	122.74	9,21,846	123.52
BOI AXA Short Term Income Fund - Direct Plan - Growth					9,39,020	125.82
DHFL Pramerica Fixed Maturity Plan Series 62 Regular Plan Growth			37,69,976	803.52	37,69,976	750.69
DSP - STF Reg (G)					9,167	1.24
DSP Arbitrage Fund - Dir - Monthly Dividend - Reinvest			22,56,995	710.48		
DSP BlackRock - Bond Fund Regular Plan Growth	3,21,56,636	3,353.94				
DSP BlackRock - Credit Risk Fund - Direct Plan - Growth					3,73,127	205.67
DSP BlackRock - Credit Risk Fund - Direct Plan - Growth					32,39,379	955.06
DSP BlackRock - Credit Risk Fund - Regular Plan - Growth					36,84,268	1,086.22
DSP BlackRock Banking and PSU Debt Fund - Regular - Growth					91,04,369	2,604.87
DSP BlackRock Short Term Fund - Direct Plan - Growth			41,07,822	648.18	41,07,827	602.03
DSP BlackRock Short Term Fund - Regular - Growth			11,71,040	384.93	11,71,040	358.14
DSP Corporate Bond Fund - Dir - Growth	27,02,557	319.81			60,25,889	1,778.28
DSP Corporate Bond Fund - Dir - Growth	85,87,776	1,016.25				
DSP Credit Risk Fund - Direct Plan - Growth			19,34,634	563.50		
DSP Liquidity Fund - Direct Plan - Weekly Dividend - Reinvest						
DSP Low Duration Fund - Direct Plan - Growth (formerly DSP Ultra Short Term Fund)	1,03,17,441	1,537.78				
Edelweiss - Arbitrage Fund Regular (Growth) Plan			15,52,470	212.88	15,52,470	200.88
Edelweiss Arbitrage Fund - Direct Plan Growth	42,24,276	638.72				
Edelweiss government securities fund-Regular-Growth					32,49,254	410.21
F122-L&T Ultra Short Term Fund - Regular Growth			13,20,690	403.27		
Franklin India Income Builder Account - Plan A - Growth					3,14,387	192.70
Franklin India Low Duration Fund Direct Plan - Growth			41,81,876	927.08		
Franklin India Low Duration Fund-Segregated Portfolio 2	41,81,876					
Franklin India Short Term Income Plan - Retail Plan - Growth					20,252	743.29
Franklin India Ultra Short Bond Fund- Super Inst. Plan-Segregated Portfolio 1 (erstwhile 8.25% Vodafone Idea Ltd-10Jul20-Direct-Growth Option) - GROWTH	21,08,620					
Franklin India Ultra Short Bond Fund Super Institutional Plan - Direct - Growth			21,08,620	556.33		
HDFC - Corporate Debt Opportunities Fund - Regular Plan - Growth					19,84,339	285.96
HDFC - Credit Risk Debt Fund (G) Direct						
HDFC - Credit Risk Debt Fund Reg (G)			16,11,211	256.48		
HDFC - FMP 1148D February 2016 (2) Sr35 (G)			24,60,952	375.42		
HDFC - FMP 1161D February 2016 (1) Sr35 (G)			20,00,000	263.35		
HDFC - Regular Savings Fund - Regular Plan - Growth			20,00,000	264.51		
HDFC - Short Term Debt Fund (G) Direct			35,54,191	740.37	9,90,063	340.92
HDFC Arbitrage Fund - Wholesale Plan - Growth - Direct Plan	1,36,921	20.37				
HDFC Arbitrage Fund - Wholesale Plan - Monthly Dividend - Direct Plan	72,36,055	758.62				
HDFC Arbitrage Fund - Wholesale Plan - Monthly Dividend - Direct Plan - Reinvest	2,50,52,670	2,626.51				
HDFC Banking and PSU Debt Fund - Direct Growth Option	29,14,514	490.37	29,14,514	444.09	29,14,514	413.53
HDFC Banking and PSU Debt Fund Direct Plan - Growth	99,12,830	1,667.88	55,97,329	852.88		
HDFC Corporate Debt Opportunities Fund - Regular - Growth					8,73,055	125.81
HDFC Credit Risk Debt Fund - Regular Plan - Growth			43,60,912	665.26		
HDFC Debt Fund For Cancer Cure - Debt Plan - Direct Option - 50% Dividend Donation	5,000	0.50	5,000	0.50	5,000	0.50
HDFC Floating Rate Debt Fund - Direct Plan - Wholesale Option - Growth Option	3,17,525	112.35	3,17,525	103.84		
HDFC Floating Rate Debt Fund - Direct Plan - Wholesale Option - Growth Option	9,55,607	338.12	9,55,607	312.52		
HDFC FMP 1148D February 2016 (2) - Regular Growth - Series-35					20,00,000	242.91
HDFC FMP 1161D February 2016 (1) - Regular Growth - Series-35					20,00,000	245.51
HDFC Medium Term Opportunities Fund - Direct Plan - Growth Option			27,37,302	573.07	27,37,302	531.25
HDFC Medium Term Opportunities Fund - Regular Plan - Growth			28,18,412	586.53	28,18,412	544.26
HDFC Regular Savings Fund - Direct Plan - Growth Option					6,79,793	239.56
HDFC Regular Savings Fund - Regular Plan - Growth					6,61,506	227.78
HDFC Short Term Opportunities Fund - Direct Plan - Growth Option					69,54,600	1,343.87
HDFC Short Term Opportunities Fund - Regular Plan - Growth	5,51,162	124.78	23,00,596	474.83	23,00,596	441.13
HDFC Ultra Short Term Fund - Direct Growth	1,24,63,524	1,403.21	2,26,62,880	2,373.80		
ICICI Pru - Credit Risk Fund Reg (G)			18,63,433	370.24		
ICICI Pru - Short Term Fund (G) Direct			41,51,833	1,675.02		
ICICI Prudential - Equity Arbitrage Fund (Growth) Direct Plan	41,51,833	1,842.01	41,51,833	1,675.02		
ICICI Prudential - Equity Arbitrage Fund Regular Dividend	8,48,738	229.01	8,48,738	214.29	8,48,738	200.92
ICICI Prudential - Flexible Income Plan Regular (Growth) Plan			27,96,801	380.94	26,52,399	361.79
	30,288	117.32	30,288	108.65	30,288	100.95



9 Current Investments

	As at March 31, 2020		As at March 31, 2019 (Restated)		As at April 01, 2018 (Restated)	
	Units (In nos.)	Amount	Units (In nos.)	Amount	Units (In nos.)	Amount
ICICI Prudential Banking & PSU Debt Fund Direct Plan - Growth	27,91,243	659.95	27,91,243	601.91		
ICICI Prudential Banking & PSU Debt Fund Direct-Plan - Growth	35,97,485	850.58	35,97,485	775.77	35,97,485	727.33
ICICI Prudential Banking and PSU Debt Fund - Growth	11,87,039	274.95	11,87,039	251.95		
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth	43,38,370	933.19				
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth (formerly ICICI Prudential Ultra Short Term Plan)	58,17,129	1,251.27				
ICICI Prudential Corporate Bond Fund - Growth						
ICICI Prudential Equity Arbitrage Fund - Direct Plan - Dividend			25,83,819	735.07	25,83,819	698.75
ICICI Prudential Equity Arbitrage Fund - Growth	48,85,645	711.85				
ICICI Prudential FMP Series 79 1218 Days Plan A - Cumulative						
ICICI Prudential Income Opportunities Fund Direct Plan - Growth			20,00,000	255.23	20,00,000	236.09
ICICI Prudential Regular Income Fund Plan - Growth			21,19,918	560.10	21,19,918	524.89
ICICI Prudential Regular Savings Fund - Direct Plan - Growth					20,62,588	361.69
ICICI Prudential Regular Savings Fund - Growth			12,58,732	264.72	12,58,732	245.13
ICICI Prudential Short Term - Direct Plan Growth Option					32,18,897	597.91
ICICI Prudential Short Term - Growth Option	11,47,994	484.10	21,04,421	813.06	47,31,237	1,774.41
ICICI PRUDENTIAL SHORT TERM FUND-DIR PL-GR OPTION	5,03,200	223.25			21,04,421	762.06
IDFC Arbitrage Fund-Growth-(Direct Plan)	49,15,790	1,264.87				
IDFC Arbitrage Fund-Monthly Dividend-(Direct Plan) - Reinvest	76,46,007	1,011.51				
IDFC Banking & PSU Debt Fund-Direct Plan-Growth	18,49,500	332.25				
IDFC Banking & PSU Debt Fund-Regular Plan-Growth						
IDFC Corporate Bond Fund Direct Plan - Growth	46,26,498	645.98	31,18,276	501.38		
IDFC Corporate Bond Fund Direct Plan-Growth	15,20,069	212.24	8,20,957	104.53		
IDFC Corporate Bond Fund Direct Plan-Growth	1,17,71,038	1,643.54				
IDFC Corporate Bond Fund Regular Plan - Growth						
IDFC Credit Opportunities Fund - Direct Plan - Growth			19,71,145	250.97	19,71,145	234.33
IDFC Credit Opportunities Fund - Regular Plan - Growth			29,06,357	337.01	29,06,357	315.23
IDFC Credit Opportunities Fund - Regular Plan - Growth			34,23,700	388.12	34,23,700	366.98
IDFC Credit Risk Fund-Direct Plan-Growth					39,41,748	422.51
IDFC Credit Risk Fund-Regular Plan -Growth	29,06,357	369.97				
IDFC Low Duration Fund - Direct Plan Growth	34,23,700	422.44				
IDFC Low Duration Fund-Growth-(Direct Plan)	1,78,916	51.70				
IDFC Super Saver Income Fund - Medium Term Plan - Growth (Direct Plan)	73,50,004	2,123.75				
IDFC Super Saver Income Fund - Medium Term Plan -Growth - Regular Plan					4,93,966	148.95
IDFC Super Saver Income Fund Short Term Plan - Growth (Regular Plan)					20,83,267	605.95
Invesco India Arbitrage Fund - Direct Plan Dividend - Reinvest					10,00,416	353.87
Invesco India Corporate Bond Fund - Direct Plan Growth	1,24,26,892	1,722.18				
Invesco India Corporate Bond Opportunities Fund - Direct Plan Growth	50,904	1,225.55				
Invesco India Corporate Bond Opportunities Fund - Regular Plan Growth					17,985	182.56
Invesco India Corporate Bond Opportunities Fund Regular Plan -Growth					30,633	419.32
Invesco India Credit opportunities Fund - Direct Plan Growth			14,918	197.94	14,918	204.20
Invesco India Treasury Advantage Fund - Direct Plan Growth					59,946	1,204.35
Invesco India Ultra Short Term-Bonus						
Kotak - Credit Risk Fund (G)			87,15,760	1,773.05	14,536	193.70
Kotak - Credit Risk Fund (G) Direct			37,83,109	814.78		
Kotak - Equity Arbitrage Fund (Growth) Direct Plan	11,82,835	343.84	11,82,835	321.77	11,82,835	301.80
Kotak Banking and PSU Debt Fund Direct Growth	14,01,876	667.95	14,01,076	602.34		
Kotak Bond Fund (Short Term) - Direct Plan - Growth						
Kotak Bond Short Term - Growth - Regular Plan						
Kotak Corporate Bond Fund Direct Growth	11,786	325.33			9,12,789	296.08
Kntak Corporate Bond Fund Standard Growth (Regular Plan)						
Kotak Equity Arbitrage Fund - Direct Plan - Fortnight Dividend - Reinvest	73,66,394	1,735.60	4,223	104.35		
Kotak FMP Series 189 - Growth			10,01,041	133.56	10,01,041	122.87
Kotak Gold Fund-Growth - Regular plan					64,25,822	824.39
Kotak Income Opportunities Fund Growth Regular Plan					16,56,699	316.85
Kotak Income Opportunity Fund - Direct Plan- Growth					90,19,759	1,810.58
Kotak Income Opportunity Fund - Growth - Regular Plan					1,26,02,978	2,410.36
Kotak Liquid Direct Plan Growth			5,639	213.41		
Kotak Medium Term Direct Plan - Growth			22,74,450	363.78	22,74,450	340.94
Kotak Medium Term Fund Growth - Regular Plan			46,12,942	705.03	46,12,942	665.77
L&T - Credit Risk Fund (G) Direct			73,81,160	1,603.51		
L&T - Resurgent India Bond Fund (G)			21,24,929	289.08		
L&T Income Opportunities Fund - Growth	15,93,617	344.76	1,58,02,339	3,332.65	1,58,02,339	3,145.83
L&T Income Opportunities Fund Direct Plan - Growth					86,16,414	1,756.34
L&T Income Opportunities Fund Direct Plan- Growth					11,17,643	227.82
L&T Resurgent India Bond Fund Growth						
L&T Resurgent India Corporate Bond Fund Growth			16,85,602	229.32	41,24,929	536.22
L&T Resurgent India Corporate Bond Fund- Growth					16,85,602	219.12
L&T Short Term Bond Fund - Growth (Formerly L&T Short Term Opportunities Fund - Growth)	33,55,055	653.54				
L&T Short Term Bond Fund Direct Plan - Growth	60,73,238	1,222.93				
L&T Short Term Bond Fund Direct Plan - Growth (Formerly L&T Short Term Opportunities Fund Direct I	12,82,832	258.31				
L&T Short Term Bond Fund Direct Plan - Growth (Formerly L&T Short Term Opportunities Fund Direct	93,38,045	1,880.34				
L&T Short Term Income - Growth			34,49,479	691.05	34,49,479	644.30
L&T Short Term Opportunities Fund Direct Plan- Growth			32,51,735	597.10	32,51,735	552.96
L&T Triple Ace Bond Fund Direct Plan - Growth	34,77,648	1,921.98				
L&T Ultra Short Term Fund - Regular Growth			3,30,172	100.82		
L&T Ultra Short Term Fund Direct Plan - Growth	37,17,929	1,242.90	37,17,929.00	1,157.74		
LD086G-SBI Magnum Ultra Short Duration Fund Direct Growth			42,576	1,775.20		
Nippon India Arbitrage Fund - Direct Monthly Dividend Plan	73,20,851	815.59				
Nippon India Arbitrage Fund - Direct Monthly Dividend Plan - Reinvest	1,85,68,125	2,068.62				
NIPPON INDIA ARBITRAGE FUND-DIR GR PL-GR OPTION	2,39,537	50.14				
Nippon India Banking & Psu Debt Fund - Direct Growth Plan	21,45,222	323.62				
Nippon India Banking & Psu Debt Fund - Growth Plan						
Nippon India Short Term Fund - Direct Growth Plan Growth Option	31,04,392	1,227.43				
Nippon India Strategic Debt Fund - Segregated Portfolio 1 - Growth Plan	15,27,172	0.80				
Nippon India Strategic Debt Fund - Segregated Portfolio 2 - Growth Plan	15,27,172					
Nippon India Ultra Short Duration Fund - Segregated Portfolio 1 - Growth Plan	10,668	3.49				
nvesco India Liquid Fund - Direct Plan Monthly Dividend - Reinvest						
Reliance - Credit Risk Fund (G)			32,85,626	846.98		
Reliance - Regular Savings Fund - Debt Plan - Growth Plan			31,02,845	799.86	31,02,845	751.13
Reliance Corporate Bond - Growth Plan			60,73,210	893.38	60,73,210	851.04
Reliance Corporate Bond Direct - Growth			15,79,779	242.57	15,79,779	228.74
Reliance Gold Savings Fund - Growth Plan Growth Option					16,78,909	218.97
Reliance Gold Savings Fund-Direct - Growth Plan Growth Option					18,97,677	253.25
Reliance Liquid Fund - Direct Plan Dally Dividend Option - Reinvest						
Reliance Medium Term Fund - Growth Plan - Growth Option	596	9.12	20,377	311.63	10,94,071	407.02
Reliance Prime Debt Fund - Direct Plan Growth Plan - Growth Option						
Reliance Prime Debt Fund - Growth Plan - Growth Option			5,20,279	208.71		
Reliance Regular Savings Debt Plan - Growth Plan Growth Option			2,66,280	104.21		
Reliance Regular Savings Fund - Debt Plan - Growth Plan - Growth Option					10,41,097	252.03
					90,59,909	2,193.20





9 Current Investments

	As at March 31, 2020		As at March 31, 2019 (Restated)		As at April 01, 2018 (Restated)	
	Units (in nos.)	Amount	Units (in nos.)	Amount	Units (in nos.)	Amount
Relliance Ultra Short Duration Fund - Growth Option - Growth Plan	-	-	10,668	310.43	-	-
SBI - Corporate Bond Fund - Direct Plan - Growth	-	-	7,37,847	228.79	7,37,847	212.22
SBI - Regular Savings Fund - Direct Plan - Growth	-	-	10,12,061	343.35	10,12,061	317.85
SBI - Regular Savings Fund - Regular Plan - Growth	-	-	10,28,316	332.92	10,28,316	310.50
SBI Corporate Bond Fund - Direct Plan - Growth	1,09,03,124	1,230.50	-	-	-	-
SBI Corporate Bond Fund - Regular Plan - Growth	-	-	12,69,412	379.15	12,69,412	354.57
SBI Credit Risk Fund Direct Growth	7,37,847	244.30	-	-	-	-
SBI Gold Fund - Direct Plan - Growth	-	-	-	-	1,00,87,957	1,011.46
SBI Magnum Medium Duration Fund Direct Growth	10,12,061	383.55	-	-	-	-
SBI Magnum Medium Duration Fund Regular Growth	10,28,316	370.58	-	-	-	-
SBI Magnum Ultra Short Duration Fund Direct Growth	45,056	2,018.36	-	-	-	-
SBI Magnum Ultra Short Duration Fund Regular Growth	-	-	2,480	103.41	-	-
SBI Regular Savings Fund - Regular Plan - Growth	8,46,153	304.93	12,113	502.27	-	-
SBI Short Term Debt Fund - Regular Plan - Growth	-	-	8,46,152	273.94	8,46,153	255.49
Sundram Ultra Short Term Fund Bonus	-	-	-	-	10,49,037	210.08
TATA ARBITRAGE FUND-REG PLAN MON DIV	-	-	-	-	43,82,543	594.76
Tata Short Term Bond Fund - Direct Plan - Growth	10,75,032	111.63	-	-	8,24,235	276.40
Tata Short Term Bond Fund - Regular Plan - Growth	-	-	-	-	10,81,425	349.19
UTI - Credit Risk Fund (G)	20,00,254	235.40	-	-	-	-
UTI - Credit Risk Fund (G) Direct	-	-	41,31,329	691.03	-	-
UTI - ST Income Fund Ins (G)	-	-	16,92,437	304.81	-	-
UTI - ST Income Fund Ins (G) Direct	22,37,015	483.93	22,37,015	503.56	-	-
UTI Arbitrage Fund-Direct Growth Plan	19,29,869	431.58	38,40,334	889.98	-	-
UTI Banking and PSU Debt Fund - Direct Plan - Growth	23,13,069	632.06	-	-	-	-
UTI Corporate Bond Fund - Direct Growth Plan	-	-	33,09,439	498.56	33,09,439	472.86
UTI CORPORATE BOND FUND-DIR GR PLAN	2,69,368	31.84	-	-	-	-
UTI Credit Risk Fund (Segregated - 06032020) - Regular Growth Plan - Segregated Portfolio 3 (G)	8,62,069	101.88	-	-	-	-
	20,00,253	-	-	-	-	-
UTI Credit Risk Fund (Segregated - 13092019) - Direct Growth Plan - Segregated 1 (G) Direct	16,82,437	3.33	-	-	-	-
UTI Credit Risk Fund (Segregated - 13092019) - Regular Growth Plan - Segregated 1 (G)	-	-	-	-	-	-
UTI Credit Risk Fund (Segregated - 17022020) - Regular Growth Plan - Segregated 2 (G)	41,31,329	7.56	-	-	-	-
UTI Income Opportunities Fund - Direct Plan - Growth	20,00,253	28.23	-	-	-	-
UTI Income Opportunities Fund - Growth Plan	-	-	-	-	1,32,19,448	2,231.97
UTI Short-term Income Fund - Institutional Plan - Direct Plan - Growth	-	-	-	-	65,84,967	1,043.55
UTI Short-term Income Fund Institutional Plan - Growth	-	-	-	-	83,50,756	1,806.74
	-	-	-	-	33,51,724	707.96
<b>Total</b>		<b>66,503.25</b>		<b>54,326.66</b>		<b>64,987.11</b>
Aggregate amount of quoted Investments		66,503.25		54,326.66		64,987.11
Aggregate market value of quoted Investments		66,503.25		54,326.66		64,987.11

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**Mankind Pharma Limited**  
**Notes forming part of the consolidated financial statements for the year ended March 31, 2020**  
**All amounts are in INR lacs unless otherwise stated**

	As at March 31, 2020	As at March 31, 2019 (Restated)	As at April 01, 2018 (Restated)
<b>10 Other financial assets</b>			
<b>Non-Current</b>			
<b>(Unsecured and considered good)</b>			
<b>Financial assets carried at amortised cost</b>			
Security deposits and earnest money deposits	1,562.27	1,399.41	1,112.14
Bank deposits under lien (refer note a below)	1,470.72	1,295.22	851.62
Other receivable (refer note b below)	60.00	-	-
Advance to employees	-	-	0.67
	<b>3,092.99</b>	<b>2,694.63</b>	<b>1,964.43</b>
<b>Current</b>			
<b>(Unsecured and considered good)</b>			
<b>Financial assets carried at amortised cost</b>			
Security Deposits	438.25	323.95	195.95
Interest accrued but no due	-	-	-
Other receivable	10.44	42.48	100.00
	<b>448.69</b>	<b>366.43</b>	<b>295.95</b>

**Notes:**

- a. Bank deposits includes deposits for INR 1,470.72 Lacs (March 31, 2019: INR 1,295.22 Lacs) (April 01, 2018: INR 851.62 lacs) which are lien marked with banks against the bank guarantees issued to government authorities.
- b. Other receivable includes amount given as advance for shares pending allotment, amounting to INR 60.00 (March 31, 2019: INR Nil) (April 01, 2018: INR Nil) given to Sirmour Green Environ Limited, which is subsequently due for refund.

**11 Income tax assets and liabilities**

**Non-current tax assets**

Income tax assets (net of provisions)

5,451.16	6,950.53	2,821.77
<b>5,451.16</b>	<b>6,950.53</b>	<b>2,821.77</b>

**Current tax liabilities**

Income tax liabilities (net of advance tax)

6,562.24	107.59	2,725.78
<b>6,562.24</b>	<b>107.59</b>	<b>2,725.78</b>





**Mankind Pharma Limited**  
**Notes forming part of the consolidated financial statements for the year ended March 31, 2020**  
**All amounts are in INR lacs unless otherwise stated**

	As at March 31, 2020	As at March 31, 2019 (Restated)	As at April 01, 2018 (Restated)
<b>12 Other assets</b>			
<b>Non-Current (unsecured and considered good)</b>			
Balances with Government authorities	1,418.40	446.51	209.59
Capital advances	1,744.09	1,619.09	2,152.22
Advances for purchase of immovable properties	420.60	1,345.97	1,467.02
Prepaid Expenses	81.53	139.54	-
<b>(unsecured and considered doubtful)</b>			
Advances for purchase of immovable properties (refer note a below)	2,642.12	1,429.59	1,412.12
Less: Allowance for doubtful advances	(2,642.12)	(1,429.59)	(1,412.12)
Capital advances	66.43	47.57	-
Less: Allowance for doubtful capital advances	(66.43)	(47.57)	-
	<b>3,664.62</b>	<b>3,551.11</b>	<b>3,828.83</b>
<b>Current (unsecured and considered good)</b>			
Prepaid expenses	949.78	806.46	1,060.55
Advances to vendors	2,182.23	1,738.21	4,324.44
Advances to employees	1,955.47	855.94	2,807.37
Advance receivable from related parties	22.58	1.76	401.39
Balances with government authorities	21,372.70	14,835.89	12,249.37
Other receivables	55.34	-	0.09
<b>(unsecured and considered doubtful)</b>			
Advances to vendors	219.26	18.57	-
Less: Impairment Allowance (Allowance for bad and doubtful debts)	(219.26)	(18.57)	-
Advances to employees	201.05	-	-
Less: Allowance for doubtful advances	(201.05)	-	-
	<b>26,538.10</b>	<b>18,238.26</b>	<b>20,843.21</b>

**Note:**

- a. During the year ended March 31, 2020, the Group has assessed recoverability of advances for purchase of Immovable properties given to few parties. Considering the overall slump in real estate sector and ongoing status of these advances, the Group has created an allowance for doubtful advances amounting to INR 2,642.12 lacs (March 31, 2019: INR 1,429.59 lacs).

**13 Inventories**

Raw materials and components			
In hand	23,306.62	16,045.94	12,689.81
In transit	1,620.06	1,606.68	661.57
Work-in-progress	7,158.98	5,677.32	4,275.61
Finished goods	13,598.11	9,239.46	6,354.44
Stock in trade			
In hand	37,199.14	38,842.96	45,082.43
In transit	1,768.10	1,819.00	1,059.08
Stores and spares	937.57	620.51	333.42
Consumables	68.61	890.40	1,122.16
Development rights in a housing project (See note b below)	4,256.26	7,356.26	7,356.26
	<b>89,913.45</b>	<b>82,098.53</b>	<b>78,934.78</b>

**Notes:**

- a. Cost of materials consumed includes INR 3,907.61 lacs (Year ended March 31, 2019: INR 3,682.44 lacs) in respect of write downs of inventory to net realisable value on account of expiry and breakage of the inventories. There has been no reversal of such write downs in current and previous year. The cost of inventories recognised as an expense in relation to research and development activity has been shown separately under Note 38.
- b. Pursuant to collaboration agreement entered in May 2013 between one of the subsidiary Company; Pavi Buildwell Private Limited (Pavi) and Advance India Projects Limited (AIPL) wherein Pavi had acquired the development rights on the properties, while AIPL was to develop the residential/ commercial properties to be sold to the ultimate consumers. As per the agreement, both the companies will be sharing the revenue in an agreed ratio. Pavi Buildwell has no further commitment on the Project.  
 During the current year, on account of current market conditions in real estate sector and status of project, the subsidiary Company has written down the value of development right by INR 3,100.00 lacs to Net realisable value (NRV).
- c. Mode of valuation of inventories has been stated in note 3.09.



**Mankind Pharma Limited**  
**Notes forming part of the consolidated financial statements for the year ended March 31, 2020**  
**All amounts are in INR lacs unless otherwise stated**

	As at March 31, 2020	As at March 31, 2019 (Restated)	As at April 01, 2018 (Restated)
<b>14 Contract assets</b>			
<b>Contract assets includes following:</b>			
<b>(i) Trade receivables</b>			
Secured, considered good	-	-	-
Unsecured, considered good	52,312.65	21,455.00	29,412.43
Unsecured, considered good - Related parties (refer note 44)	796.55	566.88	249.94
Unsecured, considered credit impaired	426.60	352.34	358.33
	<b>53,535.80</b>	<b>22,374.22</b>	<b>30,020.70</b>
Less: Allowance against expected credit loss	(426.60)	(352.34)	(358.33)
	<b>53,109.20</b>	<b>22,021.88</b>	<b>29,662.37</b>

- a. The average credit period to customers ranges upto 90 days. No interest is charged on trade receivables upto the due date from the date of the invoice.
- b. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on historical credit loss experience and adjusted for forward looking information.

c. Receivables are deemed to be past due or impaired with reference to the Group's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the below table are those that have not been settled within the terms and conditions that have been agreed with that customer.

- d. No trade or other receivables are due from directors or other officers or private companies in which such director is a director or member of the Group either severally or jointly with any other person apart from those mentioned below:

Next Wave (India)	4.73	1.22	0.86
Pathkind Diagnostics Private Limited	-	4.69	-
	<b>4.73</b>	<b>5.91</b>	<b>0.86</b>

**e. Age of receivables**

Within the credit period	19,443.79	18,303.98	26,441.91
1-180 days past due	32,732.79	3,751.46	2,835.67
181-365 days past due	999.84	139.21	374.94
More than 365 days past due	359.38	179.57	368.18
	<b>53,535.80</b>	<b>22,374.22</b>	<b>30,020.70</b>

**f. Movement in allowance for expected credit loss:**

	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)
Balance at the beginning of the year	352.34	358.33
Movement for the year	74.26	(5.99)
<b>Balance at the end of the year</b>	<b>426.60</b>	<b>352.34</b>

**15 Cash and cash equivalents**

Balances with banks			
- on current Account	18,850.51	11,511.52	13,530.67
- on deposit account	1,812.29	101.06	-
Cash on hand	25.58	25.54	22.23
Cheques on hand	1,919.15	0.91	0.66
	<b>22,607.53</b>	<b>11,639.03</b>	<b>13,553.56</b>

**Notes:**

- a. There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.
- b. The deposits maintained by the Group with bank comprise of the time deposits, which may be withdrawn by the Group at any point of time without prior notice and are made for varying period between one day to three months depending on the immediate cash requirements of the Group to earn interest at the respective short term deposit rates.





**Mankind Pharma Limited**  
**Notes forming part of the consolidated financial statements for the year ended March 31, 2020**  
**All amounts are in INR lacs unless otherwise stated**

**16 Other bank balances**

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Fixed deposits with original maturity of more than three months but remaining maturity of less than twelve months	11,913.48	2,462.11	422.58
Fixed deposits with original maturity of more than twelve months	7,466.72	-	-
	<b>19,380.20</b>	<b>2,462.11</b>	<b>422.58</b>

**Note:**

- Short-term deposits are made of varying periods between one date to twelve months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposits rates.
- Fixed deposits with original maturity of more than 12 months and remaining maturity of less than 12 months have been disclosed under other bank balances.

**17 Loans**

**Non - Current**

**(unsecured and considered good, valued at amortised cost)**

Loan to related parties (refer note 44)	-	-	12.00
Loans to employees	9.93	7.20	-
	<b>9.93</b>	<b>7.20</b>	<b>12.00</b>

**Current**

**(unsecured and considered good, valued at amortised cost)**

Loan to related parties (refer note 44)	3,378.89	3,065.04	2,860.87
Loan to employees	67.90	93.91	104.28
Loan to others	3.00	3.07	100.71

**(unsecured and considered doubtful, valued at amortised cost)**

Loan to others	187.57	301.97	228.34
Less: Allowance for doubtful loans	(187.57)	(301.97)	(228.34)
	<b>3,449.79</b>	<b>3,162.02</b>	<b>3,065.86</b>

**Notes:**

- Loans classified as current are repayable on demand.
- Further information about these loans to related parties is set out in Note 44. These loans are carried at amortised cost.
- The loan to related parties includes amount of INR 3,027.59 lacs given to Casablanca Securities Pvt. Ltd which is backed by guarantee given by one of the directors of Casablanca Securities Pvt. Ltd. The loans are repayable on demand and carry interest 8.50% p.a. payable alongwith principal amount as per terms of agreement.

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**18 Assets held for sale**

<b>Current</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019 (Restated)</b>	<b>As at April 01, 2018 (Restated)</b>
<b>Carrying amounts of:</b>			
Freehold land	271.05	1,352.04	1,004.34
Building	-	4,144.54	147.82
	<b>271.05</b>	<b>5,496.58</b>	<b>1,152.16</b>

**Note:**

- a. The Group classified item of Property Plant and Equipment retired from active use and are held for sale recognised and measured in accordance with Ind-AS 105 "Non Current Assets Held For Sale and Discontinued Operations" at lower of its carrying amount and fair value less cost to sell. The Group has a property at C-51, Rosewood city, Gurugram which is classified as held for sale as the Group has entered into an agreement with the third party for sale of such property. The Group expects to complete the sale by September 30, 2020. For other property at Meerut, Uttar Pradesh, the Group expects to complete the sale by September 2020 by selling it as per contractual arrangement. The Group has also received an advance of INR 5.00 lacs against the land and classified it as held for sale.
- b. During the year ended March 31, 2019, one of the group company reclassified land and factory building ("the property") as assets held for sale as all criteria as per Ind AS 105 were satisfied. The property in North Carolina was purchased in 2017. The Group Company had plans to set up manufacturing facility in North Carolina. Considering that the pharmaceutical industry has prominent presence in New York and New Jersey the Group Company plans to move its operations to New Jersey. Currently the management has focus on the trading activity of products purchased from its parent company. The Group Company did not foresee any further developments in North Carolina and decided to sell off the property in the month of March 2019. The property was sold on June 6, 2019 for a consideration of INR 5,547.10 lacs, which resulted in a gain of INR 331.89 lacs.

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19 Equity share capital

Authorised

410,000,000 equity shares of INR 1 each  
(March 31, 2019: 410,000,000 equity shares of INR 1 each) (April 01, 2018: 410,000,000 equity shares of INR 1 each)

4,100.00 4,100.00 4,100.00

Issued, subscribed and fully paid up

400,588,440 equity shares of INR 1 each fully paid up  
(March 31, 2019: 400,588,440 equity shares of INR 1 each) (April 01, 2018: 400,588,440 equity shares of INR 1 each)

4,005.88 4,005.88 4,005.88

Notes:

4,005.88 4,005.88 4,005.88

(I) Rights, preferences and restrictions attached to Equity Shares

The Holding Company has only one class of equity shares having a par value of INR 1 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Holding Company, holder of equity shares will be entitled to receive remaining assets of the Group after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

(II) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

a) Issued, subscribed and fully paid up equity capital

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Equity shares outstanding at the beginning of the year				
Add : Issued during the year	40,05,88,440	4,005.88	40,05,88,440	4,005.88
Equity shares outstanding at the end of the year	40,05,88,440	4,005.88	40,05,88,440	4,005.88

(III) Shares held by each shareholder holding more than 5 percent shares:

Equity shares	As at 31 March 2020		As at 31 March 2019		As at April 01, 2018	
	Numbers	% holding	Numbers	% holding	Numbers	% holding
Mr. Ramesh Juneja (as Trustee of Ramesh Juneja Family Trust)	8,33,52,652	20.81%	8,33,52,652	20.81%	8,33,52,652	20.81%
Mr. Rajeev Juneja (as Trustee of Rajeev Juneja Family Trust)	7,99,30,520	19.95%	7,99,30,520	19.95%	7,99,30,520	19.95%
Mr. Prem Kumar Arora (as Trustee of Prem Sheetal Family Trust)	6,17,55,635	15.42%	6,17,55,635	15.42%	6,17,55,635	15.42%
Sheetal Arora	2,38,98,836	5.97%	2,38,98,836	5.97%	2,67,02,955	6.67%
Cairnhill Cipef Limited	3,82,92,240	9.56%	3,82,92,240	9.56%	3,82,92,240	9.56%
Belge Limited	3,98,58,843	9.95%	3,98,58,843	9.95%	-	-
	32,70,88,726	81.65%	32,70,88,726	81.65%	29,00,34,002	72.40%

Shares issued for consideration other than cash

(iv) The Holding Company had allotted 20,02,94,220 fully paid up equity shares of INR 1/- each on June 01, 2017 pursuant to 1:1 bonus share issue approved by the shareholders in the Extraordinary General Meeting (EGM) held on April 20, 2017, by capitalising the amount of INR 2,002.94 lacs of securities premium of the Group.





**Mankind Pharma Limited**  
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	As at March 31, 2020	As at March 31, 2019 (Restated)	As at April 01, 2018 (Restated)
<b>20 Other equity</b>			
General reserve	23,774.24	23,774.24	23,774.24
Securities premium	4,211.74	4,211.74	4,211.74
Retained earnings	4,06,545.91	3,40,762.13	2,86,005.26
Capital reserve	(90,898.16)	(90,898.16)	(46,800.14)
Foreign currency translation reserve	891.41	449.18	25.04
	<b>3,44,525.14</b>	<b>2,78,299.13</b>	<b>2,67,216.14</b>

	As at March 31, 2020	As at March 31, 2019 (Restated)
<b>20.1 General reserve</b>		
Balance at the beginning of the year	23,774.24	23,774.24
Transferred from retained earnings	-	-
<b>Balance at the end of the year</b>	<b>23,774.24</b>	<b>23,774.24</b>

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Group for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to General Reserve can be utilised only in accordance with provisions of the Companies Act, 2013.

	As at March 31, 2020	As at March 31, 2019 (Restated)
<b>20.2 Securities premium</b>		
Balance at the beginning of the year	4,211.74	4,211.74
Less : Utilised during the year	-	-
<b>Balance at the end of the year</b>	<b>4,211.74</b>	<b>4,211.74</b>

Securities premium is used to record premium on issue of shares. The reserves can be utilised only for limited purposes in accordance with provisions of the Companies Act, 2013.

	As at March 31, 2020	As at March 31, 2019 (Restated)
<b>20.3 Retained earnings</b>		
Balance at the beginning of the year	3,40,762.13	2,86,005.26
Profit for the year	1,03,041.69	57,852.86
Other comprehensive Income arising from remeasurement of defined benefit obligation, net of Income tax	(831.31)	(203.10)
Payment of interim dividend	(30,244.43)	(2,403.53)
Dividend distribution tax	(6,182.17)	(489.36)
<b>Balance at the end of the year</b>	<b>4,06,545.91</b>	<b>3,40,762.13</b>

The amount that can be distributed by the Group as dividends to its equity shareholders, is determined based on the requirements of Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.



**Mankind Pharma Limited**  
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**20.4 Capital reserve**

Balance at the beginning of the year  
Add: Adjustment on account of demerger (refer note 42)  
**Balance at the end of the year**

As at March 31, 2020	As at March 31, 2019 (Restated)
(90,898.16)	(46,800.14)
-	(44,098.02)
<b>(90,898.16)</b>	<b>(90,898.16)</b>

The negative capital reserve of INR 90,898.16 lacs Includes following:-

a) INR (46,800.14 lacs) being the difference between the consideration paid by the group and the share capital of the transferor entities namely; Relax Pharmaceutical Private Limited, Copmed Pharmaceutical Private Limited, Mediforce Healthcare Private Limited, Medipack innovation private limited being amount of (INR 11,302.20 lacs); (INR 19,186.68 lacs); (INR 5,708.08 lacs); INR 17.16 lacs respectively acquired on April 01, 2017 and Pharmaforce Labs (Partnership firm), Penta latex LLP (a limited liability partnership firm) being amount of (INR 6,885.67 lacs) (INR 3,734.67 lacs) respectively acquired on April 01, 2018, accounted as common control business acquisitions in accordance with Appendix C to Ind AS 103: Business Combination of Entities under Common Control".

b) INR (44,098.02 lacs) being net assets transferred in 2019 in respect of the Group's leasing business to a related party, Mankind Biosys Limited in accordance with the Scheme of Demerger approved by the Hon'ble National Company Law Tribunal on May 25, 2018 (refer note 42).

**20.5 Foreign currency translation reserve**

Balance at the beginning of the year  
Exchange differences in translating the financial statements of foreign operations  
**Balance at the end of the year**

449.18	25.04
442.23	424.14
<b>891.41</b>	<b>449.18</b>

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive Income as described in accounting policy and accumulated in Foreign currency translation reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

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**Mankind Pharma Limited**  
**Notes forming part of the consolidated financial statements for the year ended March 31, 2020**  
**All amounts are in INR lacs unless otherwise stated**

	As at March 31, 2020	As at March 31, 2019 (Restated)	As at April 01, 2018 (Restated)
<b>21 Borrowings</b>			
<b>Non-current</b>			
<b>(Secured, at amortised cost)</b>			
Term loan from banks (see note a, b, c, and d below)	7,133.70	2,470.55	454.19
Working capital loan (see note e and f below)	1,118.45	386.36	-
Vehicle loan (see note g below)	11.23	12.71	9.63
Less: Current maturities of Term loan (refer note 26)	-	-	-
Less: Current maturities of working capital loan (refer note 26)	(2,227.95)	(287.14)	(194.26)
Less: Current maturities of vehicle loan (refer note 26)	(209.25)	(69.80)	-
	(6.91)	(1.49)	-
	<b>5,819.27</b>	<b>2,511.19</b>	<b>269.56</b>
<b>Current</b>			
<b>(Secured, at amortised cost)</b>			
Working capital loan (see note e and f below)	-	20,609.66	38,000.00
Cash credit facility from bank (see note a, b, f and l below)	3,167.05	2,542.83	1,889.36
Bank overdraft (see note i below)	377.03	-	0.27
Vehicle loan (see note g below)	-	6.30	4.96
<b>(Unsecured, at amortised cost)</b>			
Loans from related parties (see note k below)	611.79	225.12	34.34
Loan from others (see note j below)	272.15	762.50	520.19
	<b>4,428.02</b>	<b>24,146.41</b>	<b>40,449.12</b>

**Notes:**

- a. Term loan includes loan obtained by a subsidiary; Penta Latex LLP is repayable in 6 years including 6 months moratorium period. Term Loan amounting to INR 1,971.14 lacs (March 31, 2019: INR 1,031.36 lacs) (April 01, 2018: INR Nil) and cash credit amounting to INR 385.83 lacs (March 31, 2019: INR 654.60 lacs) (April 01, 2018: INR 429.27 lacs) obtained by Penta latex from bank are secured by way of following and carries interest in the range of 9.05% p.a. to 9.15% p.a:
- First and exclusive charge by way of hypothecation on entire current assets of borrower both present and future.
  - Personal Guarantee of Mr. Arun Kumar Vashishta, Mr. Dhruv Mehdiratta and Mr. Arjun Juneja.
  - First and exclusive charge on land and proposed building on Plot No.1, Sector 8A, IIE, SIDCUL, UK 249403.
  - First and exclusive charge on plot no. 49 and 50 Sector 2, IIE, SIDCUL, UK 249403
  - First and exclusive charge by the way of hypothecation on entire movable fixed assets of borrower both present and future.
- b. Term loan includes loan obtained by a subsidiary; North East Pharma Pack, amounting to INR 1,400.00 lacs (March 31, 2019: INR 1,400.00 lacs) (April 01, 2018: INR Nil) from HDFC bank towards capex requirement against which INR 1,340.34 lacs (March 31, 2019: INR 1,400.00 lacs) (April 01, 2018: INR Nil) is outstanding as at March 31, 2020. Cash credit facility obtained from HDFC bank is outstanding of INR 102.51 lacs (March 31, 2019: INR 18.55 lacs) (April 01, 2018: INR Nil). The term loan and Cash credit facilities are secured by following:
- exclusive charge on all present and future movable fixed assets, stocks and book debts of North East Pharma Pack.
  - exclusive charge on land and building of factory premises and,
  - personal guarantee given by all natural partners and individual acting as representative partners on behalf of companies.
- The term loan carries an interest rate of 9.66% and is repayable within 6 years from date of disbursement.
- c. Term loan includes loan obtained by a subsidiary; Mediforce Healthcare Private Limited from State bank of India amounting to INR Nil (March 31, 2019: INR 26.14 lacs) (April 01, 2018: INR 259.93 lacs) was secured by way of hypothecation of entire fixed assets of the firm created out Bank's finance both present and future in Unit -II situated at Plot No 46 Industrial Area, Poanta Sahib. The term loan has been fully paid as at March 31, 2020.
- d. Term loan includes loan obtained by a subsidiary; Packtime Innovation Private Limited amounting to INR 4,000.00 lacs (March 31, 2019: INR Nil) (April 01, 2018: INR Nil) from Citi Bank against which INR 3,822.22 lacs (March 31, 2019: INR Nil) (April 01, 2018: INR Nil) is outstanding as at year end. These facilities are secured by primary security of hypothecation by way of first and exclusive charge on fixed assets including Plant & Machinery of the subsidiary Company.
- e. Working capital loan includes loan obtained by a subsidiary; Packtime Innovations Private Limited, amounting to INR 800.00 lacs (March 31, 2019: INR Nil) (April 01, 2018: INR Nil) from Citi Bank against which INR 800.00 lacs (March 31, 2019: INR Nil) (April 01, 2018: INR Nil) is outstanding as at year end. These facilities are secured by following:-
- exclusive charge on present and future Inventory and book debts of Packtime Innovations Private Limited.
  - exclusive charge on entire present and future moveable fixed assets of Packtime Innovations Private Limited.
  - Corporate Guarantee by M/s Mankind Pharma Limited, Holding Company
- f. Working capital facility and cash credit limit availed by a subsidiary; Medipack Innovations Private Limited amounting to INR 400 lacs and INR 600 lacs respectively from HDFC bank against which INR 318.45 lacs (March 31, 2019: INR 386.87 lacs) (April 01, 2018: INR Nil) and INR 429.59 lacs (March 31, 2019: INR 452.45 lacs) (April 01, 2018: INR 383.10 lacs) is outstanding as on March 31, 2020 respectively. These facilities are secured by primary security of hypothecation by way of first and exclusive charge on all present and future current assets of the Company. Further it is also been secured by collateral security of immovable property of the Company situated at Plot 14B, Gondpur, Poanta Sahib, Industrial Area, Phase III, Himachal Pradesh. The facility carries interest rate of 9.25% (MCLR+0.55 basis point). Working capital loan is repayable in 60 equal installments upto december 2023.
- g. Vehicle loans obtained are secured by hypothecation of respective vehicle and carry Interest rate of 9.35% p.a. and are repayable in 3 years.
- h. Cash Credit facility obtained by a subsidiary; JPR Labs Private Limited from HDFC bank amounting to INR 2,249.11 lacs (March 31, 2019: INR 1,417.24 lacs) (April 01, 2018: INR Nil) is secured by way of following:
- hypothecation by way of first and exclusive charges on all present and future current assets inclusive of stocks and book debts.
  - Equitable mortgage of the self occupied properties at Plot no. 74/A, Pharma City, Thanam Village, Parwada Mandai, Vishakhapatnam.
- i. Overdraft facilities obtained by a subsidiary; Packtime Innovations Private Limited from Citi Bank amounting to INR 377.03 lacs (March 31, 2019: INR Nil) (April 01, 2018: INR Nil) are secured by exclusive charge on all present and future book debts and Inventory of Packtime Innovations Private Limited.





**Mankind Pharma Limited**  
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- j. Loan from others Include loan from a shareholders of subsidiary company which is payable on demand and carries interest @9% p.a.
- k. Loans from related parties amounting to INR 611.79 lacs (March 31, 2019: INR 200.12 lacs) (April 01, 2018: INR Nil) are interest free loans and are repayable on demand.
- l. Changes in liability arising from financing activities:

Particulars	Non-Current borrowings		Current borrowings		Lease liability	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	(Restated)		(Restated)		(Restated)	
Opening balances	2,511.19	269.56	24,146.41	40,449.12	-	-
Addition on account of adoption of Ind AS 116 "Leases"	-	-	-	-	478.33	-
Interest expense	827.23	119.73	542.95	3,792.97	25.38	-
Cash Inflows	3,660.11	35,294.53	1,387.92	1,096.97	-	-
Cash Outflows	(352.03)	(33,052.90)	(21,106.31)	(18,748.22)	(106.88)	-
Interest paid	(827.23)	(119.73)	(542.95)	(2,444.43)	-	-
<b>Closing balances</b>	<b>5,819.27</b>	<b>2,511.19</b>	<b>4,428.02</b>	<b>24,146.41</b>	<b>396.83</b>	<b>-</b>

**22 Provisions**

**Non-current**

Provision for employee benefits  
 Provision for gratuity (net) (refer note 39)

**Current**

Provision for employee benefits  
 Provision for compensated absences  
 Provision for gratuity (net) (refer note 39)

Other provisions  
 Provision for expected sales return

	As at March 31, 2020	As at March 31, 2019 (Restated)	As at April 01, 2018 (Restated)
Provision for employee benefits Provision for gratuity (net) (refer note 39)	6,300.49	4,491.61	3,329.65
<b>Current</b>	<b>6,300.49</b>	<b>4,491.61</b>	<b>3,329.65</b>
Provision for employee benefits Provision for compensated absences Provision for gratuity (net) (refer note 39)	3,379.51 23.96	1,815.98 5.47	1,785.45 12.91
Other provisions Provision for expected sales return	18,163.57	8,480.49	3,853.34
	<b>21,567.04</b>	<b>10,301.94</b>	<b>5,651.70</b>

**Details of Provision for expected sales return**

Movement in provision for expected sales return is as follows:

Balance as at the beginning of the year  
 Addition during the year  
 Utilised during the year  
 Balance as at the end of the year

	As at March 31, 2020	As at March 31, 2019 (Restated)
Balance as at the beginning of the year	8,480.49	3,853.34
Addition during the year	19,399.55	16,064.81
Utilised during the year	(9,716.47)	(11,437.66)
<b>Balance as at the end of the year</b>	<b>18,163.57</b>	<b>8,480.49</b>

**Provision for expected sales return:** A provision is recognized for expected sales return on products sold by the Group during the year based on the past experiences of level of return. It is expected that significant level of returns will be incurred in next financial year. Assumptions used to calculate said provision are based on current sales level and current information available about sales return.



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	As at March 31, 2020	As at March 31, 2019 (Restated)	As at April 01, 2018 (Restated)
<b>23 Deferred tax balances</b>			
Deferred tax liabilities after set off	816.65	2,232.58	3,158.97
Deferred tax assets after set off	4,793.89	2,889.47	2,934.45
<b>Deferred tax assets / (liabilities) (net)</b>	<b>3,977.24</b>	<b>656.89</b>	<b>(224.52)</b>

The movement in gross deferred income tax assets and liabilities (before set off) for the year ended March 31, 2020 is as follows:

Year ended March 31, 2020	Opening Balance (Restated)	Recognised in Profit or loss	Recognised in other comprehensive Income	Closing balance
<b>Deferred tax assets / (liabilities) in relation to</b>				
Property, plant and equipment (including capital work in progress)	(5,575.32)	(3,989.69)	-	(9,565.01)
Investments	(2,472.83)	1,196.32	-	(1,276.51)
ROU assets	-	128.92	-	128.92
Lease liability	-	(126.68)	-	(126.68)
Provision for employee benefits	1,935.07	1,154.46	434.67	3,524.20
Allowance for expected credit loss	206.53	(58.24)	-	148.29
Provision for expected sales return	2,828.24	3,149.90	-	5,978.14
Government grant	30.25	507.70	-	537.95
Carried forward unused tax losses	105.79	235.48	-	341.27
Preliminary expenses	31.87	(9.99)	-	21.88
Provision for slow moving inventories	1,666.73	2,488.90	-	4,155.63
Provision for doubtful loans and advances	612.99	(611.96)	-	1.03
Provision for disallowance under section 43B of Income Tax Act	4.97	(4.97)	-	-
Other temporary differences	660.21	(792.63)	-	(132.42)
	<b>34.50</b>	<b>3,267.52</b>	<b>434.67</b>	<b>3,736.69</b>
MAT Credit/ AMT Credit	622.39	-	-	240.55
<b>Total Deferred income tax assets and liabilities</b>	<b>656.89</b>	<b>3,267.52</b>	<b>434.67</b>	<b>3,977.74</b>
<b>Year ended March 31, 2019</b>	<b>Opening Balance (Restated)</b>	<b>Recognised in Profit or loss</b>	<b>Recognised in other comprehensive Income</b>	<b>Closing balance</b>
<b>Deferred tax assets / (liabilities) in relation to</b>				
Property, plant and equipment (including capital work in progress)	(3,878.09)	(1,697.23)	-	(5,575.32)
Investments	(3,371.37)	898.54	-	(2,472.83)
Provision for employee benefits	2,026.39	(198.81)	107.49	1,935.07
Allowance for expected credit loss	197.89	8.64	-	206.53
Provision for expected sales return	1,290.01	1,538.23	-	2,828.24
Commission payable	150.75	(150.75)	-	-
Carried forward unused tax losses	551.92	(446.13)	-	105.79
Preliminary expenses	20.00	3.87	-	31.87
Provision for slow moving inventories	1,099.67	567.06	-	1,666.73
Provision for doubtful loans and advances	573.24	39.75	-	612.99
Others	-	-	-	-
Other temporary differences	382.45	277.76	-	660.21
Government grant	-	30.25	-	30.25
Provision for disallowance under section 43B of Income Tax Act	-	4.97	-	4.97
	<b>(949.14)</b>	<b>876.15</b>	<b>107.49</b>	<b>34.50</b>
MAT Credit/ AMT Credit	724.62	3.61	-	622.39
<b>Total Deferred income tax assets and liabilities</b>	<b>(224.52)</b>	<b>879.76</b>	<b>107.49</b>	<b>656.89</b>

**Note:**

- Deferred tax assets and deferred tax liabilities have been offset wherever the Group has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.
- The Group has not created deferred tax on impairment loss of non-current financial assets (investments) and advances for capital nature aggregating to INR 14,017.62 lacs (March 31, 2019: INR Nil) as the Group does not expect taxable capital gain in future against which such deferred tax assets can be realised. Had the Group created deferred tax on the same, the profit would have been higher by INR 3,164.86 lacs (March 31, 2019: INR Nil).
- During the year, the Group has paid dividend to its shareholders for the year ended March 31, 2020. This has resulted in payment of corporate dividend tax (CDT) amounting to INR 6,182.17 lakhs to the taxation authorities. CDT represents additional payment to taxation authorities on behalf of shareholders. Hence CDT paid is charged to equity.
- The Group has not created deferred tax assets of INR 3,861.13 lacs on carry forward losses of its subsidiaries (Packtime Innovations Private Limited: deferred tax of INR 844.05 lacs, Shree Jee Laboratory Private Limited; deferred tax of INR 1,028.10 lacs, Lifestar Pharma LLC; deferred tax of INR 1,988.98 lacs).

In assessing the realization of deferred tax assets, the likelihood of whether it is more likely than not that some portion or all the deferred tax assets will not be realized must be considered. The ultimate realization of deferred tax assets is dependent on the generation of future taxable income during the periods in which temporary difference become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the history of losses and uncertainty over projections for future taxable income over the periods for which the deferred tax assets are deductible, the management believes it is more likely than not that the deferred tax assets may not be recognized in foreseeable future and accordingly, no deferred tax asset has been recorded.



**Mankind Pharma Limited**  
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	As at March 31, 2020	As at March 31, 2019 (Restated)	As at April 01, 2018 (Restated)
<b>24 Other liabilities</b>			
<b>Non-current</b>			
Deferred government grant (refer note below)	1,778.73	1,333.55	815.82
	<b>1,778.73</b>	<b>1,333.55</b>	<b>815.82</b>
<b>Current</b>			
Contract liabilities			
Statutory liabilities	408.88	606.24	1,200.18
Deferred government grant (refer note below)	5,373.43	3,625.55	2,815.94
Advances from related parties	22.53	23.12	8.80
Advance against sale of investments	-	-	-
Others	67.02	321.09	741.97
	74.23	85.06	99.96
	<b>5,946.09</b>	<b>4,661.06</b>	<b>4,866.85</b>

**Notes:**

**Deferred government grant includes following:**

- Assistance in the form of duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme of Government of India on import of property, plant and equipment accounted for as government grant and being amortised over the period of contractual obligation. During the year ended March 31, 2020, the Group received INR 500.00 lacs on account of setting up plant in Sikkim under the Central Capital Investment subsidy scheme, 2007 of North East Industrial and Investment Promotion Policy, 2007.
- Assistance in the form of cash subsidy sanctioned by the state government for plant and machinery at Paonta, Sahib, Himachal Pradesh. Capital investment subsidy under special Capital Investment Scheme, 1988 is accounted as government grant.
- Outstanding liability in respect of duty benefit availed in earlier years under Export Promotion Capital Goods Scheme (EPCG) against which the group was not able to fulfill its export obligation. The Group has taken extension of 2 years in respect of these licenses and as at 31 March 2020, the firm believes that the liability in respect of one of such license is "Probable" and expected outflow will be made in next financial year and accordingly accounted for the said liability (refer note 26).

In respect of another license, the group expects to fulfill the obligation as per scheme based on future projected expected sales and accordingly recorded the same as government grant.

- Movement of government grant:

	As at March 31, 2020	As at March 31, 2019 (Restated)
Opening balance	1,356.67	824.62
Add: grant received during the year	3,900.99	1,751.23
Less: government grant recognised as income (refer note 28)	(3,456.40)	(1,219.18)
Closing balance	<b>1,801.26</b>	<b>1,356.67</b>

**25 Trade payables**

**Current**

	As at March 31, 2020	As at March 31, 2019 (Restated)	As at April 01, 2018 (Restated)
i. total outstanding dues of micro enterprises and small enterprises (see note 37)	8,102.21	8,211.72	6,186.48
ii. total outstanding dues of creditors other than micro enterprises and small enterprises	66,408.80	47,985.18	58,738.12
	<b>74,511.01</b>	<b>56,196.90</b>	<b>64,924.60</b>

**Note:**

- The average credit period on purchases is upto 60 days for the Group. The Group however ensures that all payables are paid within the pre agreed credit limits.
- Trade Payables include due to related parties INR 6,440.46 lacs (31 March 2019 : INR 5,262.27) (April 01, 2018: INR 6,789.27 lacs).
- The amounts are unsecured and non-interest bearing.
- For terms and conditions with related parties, refer to Note 44.

**26 Other financial liabilities**

**Non-current**

	As at March 31, 2020	As at March 31, 2019 (Restated)	As at April 01, 2018 (Restated)
Security deposits	100.00	100.00	-
Lease liability (refer note 56)	282.82	-	-
	<b>382.82</b>	<b>100.00</b>	<b>-</b>

**Current**

	As at March 31, 2020	As at March 31, 2019 (Restated)	As at April 01, 2018 (Restated)
Lease liability (refer note 56)	114.01	-	-
Current maturities of long term borrowing (refer note 21)	2,444.11	358.43	194.26
Book overdraft	257.49	7.45	1,024.67
Payable for purchase of property, plant and equipment	2,998.99	2,877.55	4,155.88
Trade/ security deposits from vendors and others	6,108.10	3,619.55	3,666.73
Payable for investment in subsidiary company (refer note 43)	-	-	16,987.09
EPCG liability (refer note 24(c))	135.87	129.30	-
	<b>12,058.57</b>	<b>6,992.28</b>	<b>26,028.63</b>





	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)
<b>27 Revenue from operations</b>		
<b>27.1 Revenue from contracts with customers</b>		
Sale of products	5,86,349.75	4,96,913.75
Sale of services	155.45	570.71
	<b>5,86,505.20</b>	<b>4,97,484.46</b>

**(a) Disaggregated revenue information**

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

**Segment**

Type of goods/services	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)
<b>Type of goods/services</b>		
Goods		
Services Income	5,86,349.75	4,96,913.75
<b>Total revenue from contracts with customers</b>	<b>5,86,505.20</b>	<b>4,97,484.46</b>
<b>Geographical information</b>		
India	5,78,864.96	4,92,448.90
Outside India	7,640.24	5,035.56
<b>Total revenue from contracts with customers</b>	<b>5,86,505.20</b>	<b>4,97,484.46</b>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	5,86,349.75	4,96,913.75
Services transferred over the time	155.45	570.71
<b>Total revenue from contracts with customers</b>	<b>5,86,505.20</b>	<b>4,97,484.46</b>

**(b) Contract balances**

	As at March 31, 2020	As at March 31, 2019 (Restated)	As at April 01, 2018 (Restated)
Trade receivables	53,109.20	22,021.88	29,662.37
Contract liabilities	408.88	606.24	1,200.18

The average credit period to customers ranges upto 90 days. No interest is charged on trade receivables upto the due date from the date of the invoice.

Contract liabilities consist of short-term advances received to supply goods from customer.

**(c) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price**

Revenue as per contracted price	6,13,499.87	5,21,948.14
<b>Adjustments:</b>		
Sales return	(19,399.55)	(16,064.81)
Discount	(3,486.12)	(3,555.87)
Scheme Cost	(4,109.00)	(4,843.00)
<b>Revenue from contracts with customers</b>	<b>5,86,505.20</b>	<b>4,97,484.46</b>

**(d) Performance obligations**

Performance obligation is satisfied when control of goods is transferred to the customer, generally on delivery of the goods.

**Sales of services:** The performance obligation in respect of professional services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of services. Further, obligation of the Group is to provide shared services to its group companies and accordingly recognises revenue over the period of the contract based on the services rendered.

**27.2 Other operating revenues**

Export incentives	227.26	67.18
Scrap sales	436.21	376.59
Others	18.18	69.38
	<b>681.65</b>	<b>513.15</b>
<b>Total revenue from operations</b>	<b>5,87,186.85</b>	<b>4,97,997.61</b>

**28 Other income**

**Interest income**

	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)
Interest income earned on:		
- bank deposits (at amortised cost)	873.12	148.60
- financial assets (at amortised cost)	354.26	246.18
- Interest from loan to related parties (at amortised cost)	-	30.47
Interest received on income tax refund	9.19	14.35
Other Interest Income	52.94	121.49
	<b>1,289.51</b>	<b>561.09</b>

**Other non-operating income**

Insurance claim received	66.61	66.29
Other income	536.45	390.02
	<b>603.06</b>	<b>456.31</b>

**Other gains and losses**

Net gain on current investments measured at FVTPL	3,505.86	2,957.72
Dividend income from financial assets measured at FVTPL	428.21	31.42
Dividend income from Investment measured at FVTPL	0.04	-
Government grant Income (refer note 24)	3,456.40	1,219.18
Gain on sale of property, plant and equipment (net)	193.78	-
Gain on sale of investment property	901.58	66.16
	<b>8,485.87</b>	<b>4,274.48</b>
	<b>10,378.44</b>	<b>5,291.88</b>



**Mankind Pharma Limited**  
**Notes forming part of the consolidated financial statements for the year ended March 31, 2020**  
**All amounts are in INR lacs unless otherwise stated**

	<u>Year ended March 31, 2020</u>	<u>Year ended March 31, 2019 (Restated)</u>
<b>29 Cost of raw materials and components consumed</b>		
<b>a Raw material and components consumed</b>		
Inventory at the beginning of the year	17,652.62	13,351.38
Add: Purchase of pharmaceutical and healthcare products	<u>1,37,006.23</u>	<u>97,528.80</u>
	<b>1,54,658.85</b>	<b>1,10,880.18</b>
Less: inventory at the end of the year	<u>(24,926.68)</u>	<u>(17,652.62)</u>
	<b><u>1,29,732.17</u></b>	<b><u>93,227.56</u></b>
<b>b Purchase of stock-in-trade</b>		
Purchase of pharmaceutical and healthcare products	<u>59,120.53</u>	<u>77,713.39</u>
	<b><u>59,120.53</u></b>	<b><u>77,713.39</u></b>
<b>30 Changes in inventories</b>		
<b>a. Changes in inventories of finished goods, work in progress and stock in trade</b>		
<b>Opening Stock:</b>		
Finished goods	9,239.46	6,354.44
Work in progress	5,677.32	4,275.61
Stock in trade		
a. In hand	38,842.96	45,082.43
b. In transit	<u>1,819.00</u>	<u>1,059.08</u>
	55,578.74	56,771.56
<b>Closing Stock:</b>		
Finished goods	13,598.11	9,239.46
Work in progress	7,158.98	5,677.32
Stock in trade		
a. In hand	37,199.14	38,842.96
b. In transit	<u>1,768.10</u>	<u>1,819.00</u>
	59,724.33	55,578.74
<b>Net decrease (a)</b>	<b><u>(4,145.59)</u></b>	<b><u>1,192.82</u></b>
<b>b. Changes in inventories of development rights</b>		
<b>Opening Stock:</b>		
Development rights in housing projects	7,356.26	7,356.26
<b>Closing Stock:</b>		
Development rights in housing projects	4,256.26	7,356.26
<b>Net decrease (b)</b>	<b><u>3,100.00</u></b>	<b><u>-</u></b>
<b>Total change in inventories (a+b)</b>	<b><u>(1,045.59)</u></b>	<b><u>1,192.82</u></b>

**Note:**

During the current year, on account of current market conditions in real estate sector and current status of the project, the group has written down value of development right in a project in Gurugram, India by INR 3,100.00 lacs (March 31, 2019: INR Nil) to Net realisable value (NRV).



**Mankind Pharma Limited****Notes forming part of the consolidated financial statements for the year ended March 31, 2020****All amounts are in INR lacs unless otherwise stated**

	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019 (Restated)</b>
<b>31 Employee benefits expense</b>		
Salaries, wages and bonus	1,27,136.68	1,03,664.61
Contribution to provident and other fund	4,287.32	3,940.44
Gratuity expense (refer note 39)	1,234.32	1,097.19
Staff welfare expenses	894.34	776.34
	<b>1,33,552.66</b>	<b>1,09,478.58</b>
<b>32 Finance Costs</b>		
Interest expense on financial liabilities and borrowing measured at amortised cost	1,370.18	3,912.70
Interest on delay deposit of income tax	759.54	118.20
Interest on lease liabilities	25.38	-
Other finance costs	42.08	272.34
	<b>2,197.18</b>	<b>4,303.24</b>
<b>33 Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment (refer note 4)	8,926.77	6,549.32
Depreciation on investment properties (refer note 5)	0.73	8.71
Amortisation of intangible assets (refer note 6)	833.00	345.41
Depreciation of Right-of-use assets (refer note 4)	145.34	-
	<b>9,905.84</b>	<b>6,903.44</b>

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**Mankind Pharma Limited**  
**Notes forming part of the consolidated financial statements for the year ended March 31, 2020**  
**All amounts are in INR lacs unless otherwise stated**

<b>34 Other expenses</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019 (Restated)</b>
Consumption of stores and spares	4,529.39	3,620.26
Power and fuel	7,996.23	6,415.29
Rent	1,735.12	1,876.82
Repair and maintenance		
- Machinery	1,873.37	1,244.60
- Building	625.09	392.06
- others	1,881.22	1,390.95
Insurance	837.99	712.12
Rates and taxes	4,357.27	4,138.20
Communication expenses	1,120.90	1,315.93
Postage and courier expenses	121.93	63.06
Travelling and conveyance	26,952.54	29,726.80
Printing and stationery	434.65	513.99
Freight cartage and other distribution cost	4,703.38	4,886.36
Commission and brokerage	12,436.05	11,558.16
Corporate social responsibility expenditure (refer note 48)	1,987.29	1,781.12
Director sitting fees	2.40	-
Legal and professional charges	3,075.15	6,379.66
Payments to auditors (refer note below)	140.93	89.38
Training and recruitment expense	2,751.47	4,062.56
Advertising and sales promotion expenses	25,532.73	35,736.69
Security expenses	488.64	547.01
Testing and inspection charges	3,893.79	3,289.00
Bank charges	126.55	121.22
Loss on sale and write off of property, plant and equipment (net)	-	128.00
Trade and other receivables written off	61.22	124.77
Allowance for doubtful loans & advances	517.52	111.62
Loss on foreign exchange fluctuation	102.50	54.31
Allowance for expected credit loss on trade receivables	74.26	-
Miscellaneous expenses	4,064.94	3,659.19
<b>Total</b>	<b>1,12,424.52</b>	<b>1,23,939.13</b>

**Note:**

Payments to the auditors (excluding input tax)

I To statutory auditors		
a) Audit fees	133.09	81.84
b) Tax audit fees	5.87	5.26
c) Reimbursement of expenses	1.97	2.28
	<b>140.93</b>	<b>89.38</b>

**34 (a) Impairment of non-current assets**

Impairment of investment in associates and joint ventures (refer note 7)	5,750.00	-
Impairment of intangible assets (right-of-use Brand) (refer note 6)	2,076.60	-
Impairment of doubtful capital advances (refer note 12)	1,231.39	65.04
	<b>9,057.99</b>	<b>65.04</b>



**Mankind Pharma Limited**  
**Notes forming part of the consolidated financial statements for the year ended**  
**All amounts are in INR lacs unless otherwise stated**

	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)
<b>35 Income taxes</b>		
<b>35.1 Income tax recognised in the Statement of profit and loss</b>		
<b>Current tax</b>		
In respect of the current year	40,839.95	26,863.60
In respect of the previous year	587.06	428.23
	<b>41,427.01</b>	<b>27,291.83</b>
<b>Deferred tax</b>		
In respect of the current year	(2,862.53)	(879.76)
In respect of the previous year	(404.99)	-
	<b>(3,267.52)</b>	<b>(879.76)</b>
<b>Total income tax expense recognised in the current year</b>	<b>38,159.49</b>	<b>26,412.07</b>
Reconciliation of tax expense and the accounting profit multiplied by India domestic rate:		
<b>Profit before tax</b>	<b>1,43,773.51</b>	<b>87,460.09</b>
Statutory income tax rate	34.944%	34.944%
Income tax expense at statutory income tax rate	50,240.22	30,524.08
Effect of Income that is exempt from taxation	(1,107.46)	(272.93)
Effect of expenses that are not deductible in determining taxable profit	10,005.27	1,379.30
Effect of accelerated allowances for tax purposes	(5,595.06)	(1,889.72)
Effect of concessions (tax holiday and similar exemptions)	(16,056.97)	(4,973.92)
Effect of income charged at lower tax rate	(2,278.92)	(1,175.99)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	2,597.58	2,412.37
Impact of change in tax rate	172.75	(19.35)
Adjustments recognised in the current year in relation to the previous years	587.06	428.23
Deferred tax credit in respect of the prior years	(404.99)	-
	<b>38,159.49</b>	<b>26,412.07</b>
<b>35.2 Income tax recognised in other comprehensive income</b>		
Items that will not be reclassified to profit or loss		
- Remeasurement of the defined benefit plan	434.67	107.49
<b>Total income tax expense recognised in other comprehensive income</b>	<b>434.67</b>	<b>107.49</b>

**Note:** Effective tax rate has been calculated on profit before tax.



**36 Contingent liabilities and commitments (to the extent not provided for)**

**A Contingent liabilities**

**(a) Claims against the Group not acknowledged as debts**

	As at 31 March 2020	As at 31 March 2019 (Restated)	As at 01 April 2018 (Restated)
(i) Sales tax claims	16.41	244.08	479.05
(ii) Income tax demands	2,642.19	1,385.19	911.91
(iii) Commercial taxes	0.76	13.45	18.39
	<b>2,659.36</b>	<b>1,642.72</b>	<b>1,409.35</b>

**Notes:**

(i) Claims / suits filed against the Group not acknowledged as debts which represents various legal cases filed against the Group. The Group has disclaimed the liability and defending the action. The Group has been advised by its legal counsel that its position is likely to be upheld in the litigation process and accordingly no provision for any liability has been made in the financial statements.

(ii) The Group is contesting the demands of income tax and sales tax, and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group financial position and results of operations.

**B Commitments**

	As at 31 March 2020	As at 31 March 2019 (Restated)	As at 01 April 2018 (Restated)
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of March 31, 2020: INR 2,164.69 lacs, March 31, 2019: INR 2,965.06 lacs and April 01, 2018: INR 3,619.24 lacs) excluding capital advances fully provided (refer note 12)	5,320.94	12,946.89	15,088.65
(ii) The Holding Company has issued corporate guarantees to banks on behalf of and in respect of fund and non fund based credit facilities availed by group in accordance with the policy of the Group. The Group has designated such guarantees as "Insurance Contracts" and clarified such guarantees as contingent liabilities. (refer note 52)	21,500.00	21,500.00	18,451.32

The Group has other commitments, for purchase orders which are issued after considering requirements as per operating cycle for purchase of goods and services, in normal course of business.

**C Undrawn committed borrowing facility**

- (i) The Holding Company has availed Working capital demand loan facilities from Citi Bank amounting to INR 29,500 lacs secured by first exclusive charge on present and future book debts of the holding company 'Mankind Pharma limited'. The Holding Company has complied with all the debt covenants. An amount of INR 29,500 lacs (March 31, 2019: INR 10,500 lacs) (April 01, 2018: INR 10,500 lacs) remains undrawn as at year end.
- (ii) Cash credit limits of INR 1,500 lacs, term loan of INR 1,500 lacs and unfunded bank limits of INR 500 lacs from HDFC bank secured by way of following:
- (a) hypothecation by way of first and exclusive charges on all present and future current assets inclusive of stocks and book debts of one of the subsidiary; JPR Labs private limited.
- (b) Equitable mortgage of the self occupied properties at Plot no. 74/A, Pharma City, Thanam Village, Parwada Mandal, Vishakhapatnam.
- Of the above, JPR Labs private limited has availed facility amount to INR 2,249.11 lacs (March 31, 2019: INR 1,417.24 lacs) (April 01, 2018: INR Nil) and amount of INR 750.89 lacs (March 31, 2019: INR 1,582.76 lacs) (April 01, 2018: INR 2,000.00 lacs) remains undrawn as at 31 March 2020.
- (iii) Working capital demand loan facilities from HDFC Bank amounting to INR 3,000 lacs is secured by 110% margin of lien on bank approved mutual funds of one of the subsidiary; Lifestar Pharma private limited has availed. Subsidiary Company has complied with all the debt covenants. An amount of INR 3,000 lacs (March 31, 2019: INR 3,000 lacs) (April 01, 2018: INR 3,000 lacs) remains undrawn as at year end.
- (iv) Cash credit facility from HDFC Bank amounting to INR 1,000 lacs is secured exclusive by first charge on the current assets of one of the subsidiary; Magnet Labs private limited. Magnet Labs private limited has complied with all the debt covenants. An amount of INR 1,000 lacs (March 31, 2019: INR 1,000 lacs) (April 01, 2018: INR 1,000 lacs) remains undrawn as at year end.





**Mankind Pharma Limited****Notes forming part of the consolidated financial statements for the year ended March 31, 2020****All amounts are in INR lacs unless otherwise stated**

- (v) Working capital facility and cash credit limits of INR 400 lacs and INR 600 lacs respectively obtained from HDFC bank by one of the subsidiary; Medipack innovations private limited. The said facility is secured by following:
- Primary security of hypothecation by way of first and exclusive charge on all present and future current assets of Medipack innovations private limited.
  - Collateral security of immovable property of Medipack innovations private limited situated at Plot 14B, Gondpur, Poanta Sahib, Industrial Area, Phase III, Himachal Pradesh.
- Of the above, Medipack innovations private limited has availed cash credit facility amount to INR 429.59 lacs (March 31, 2019 INR 452.45 lacs) (April 01, 2018 INR 383.10 lacs) and amount of INR 170.41 lacs remains undrawn (March 31, 2019 INR 147.55 lacs) (April 01, 2018 INR 216.90 lacs). The term loan is fully disbursed.
- (vi) Cash credit limits of INR 1000 lacs and term loan of INR 2250 lacs obtained from HDFC bank by one of the subsidiary; Penta latex LLP ("the firm") is secured by way of following:
- First and exclusive charge by way of hypothecation on entire current assets of borrower both present and future of the subsidiary; Penta latex LLP ("the firm").
  - Personal Guarantee of Mr. Arun Kumar Vashishta, Mr. Dhruv Mehendiratta and Mr. Arjun Juneja.
  - First and exclusive charge on land and proposed building on Plot No.1, Sector 8A, IIE, SIDCUL, UK 249403.
  - First and exclusive charge on plot no. 49 and 50 Sector 2, IIE, SIDCUL, UK 249403
  - First and exclusive charge by the way of hypothecation on entire movable fixed assets of borrower both present and future.
- Of the above, the subsidiary firm has availed facility amount to INR 2,356.97 lacs (March 31, 2019: INR 1685.96 lacs) (April 01, 2018 INR 429.27 lacs) and amount of INR 914.17 lacs (March 31, 2019: INR 1,564.04 lacs) (April 01, 2018 INR 2,820.73 lacs) remains undrawn as at year end.

**D Other Litigations**

There are some cases filed against the Group on account of patent infringement where the group has been made a party. The Group has not supplied any goods against these cases and believes, there is no liability as such which would devolve over the group. The Group is contesting these cases and believes its position will be upheld in the jurisdictional authorities.

- E The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

- 37 The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
(a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	8,102.21 (Interest - Nil)	8,211.72 (Interest - Nil)	6,186.48 (Interest - Nil)
(b) Interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and the amount of payment made to the supplier beyond the appointed day	-	-	-
(c) Interest due and payable for the period of delay in making payment other than the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
(d) Interest accrued and remaining unpaid	-	-	-
(e) Further interest remaining due and payable even in the succeeding years for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.



	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)
<b>38 Research and development expenditure</b>		
Details of expenditure incurred on research and development and included under the respective expense/ property, plant and equipment/ capital work in progress are as under:		
<b>A. Revenue Expenditure</b>		
Cost of materials consumed	1,327.29	917.41
Consumption of stores & Spares	2,471.71	2,154.80
Employee benefits expense	4,681.84	4,080.07
Repair & Maintenance	445.23	322.11
Power & Fuel	306.24	323.89
Other expenses	3,488.80	3,233.68
<b>Total</b>	<b>12,721.11</b>	<b>11,031.96</b>
<b>B. Capital expenditure</b>		
Property, plant and equipment	727.04	762.22
<b>Total (A+B)</b>	<b>13,448.15</b>	<b>11,794.18</b>

**Note:**

The Research and Development facilities are located at the Sector -IV, IMT Manesar, Gurugram of the Group which are approved by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Govt. of India. The Group is entitled to a weighted deduction of 150% of the eligible expenditure incurred at these units under section 35 (2AB) of the Income Tax Act, 1961.

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**39 Employee Benefits**

**a. Contribution to Defined Contribution Plan, recognised as expense for the year is as under:**

The Group's contribution to the Employees Provident Fund is deposited with the Regional Provident Fund Commissioner for qualifying employees. Under the scheme, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

During the year, the Group has recognised INR 3,138.72 lacs (March 31, 2019: INR 2,868.61 lacs) for Employer's contributions to the Provident Fund in the Consolidated statements of profit and loss. The contributions payable to the plan by the Group is at the rate specified in rules to the scheme.

There are numerous interpretative issues relating to Hon'ble Supreme Court of India vide its judgement dated February 28, 2019 on Provident Fund on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. Subsequent to the year end, the holding company vide assessment letter no. 28212 dated 04 August 2020 received from Employees Provident Fund Organisation wherein the provident fund department has completed their assessment for FY 2015-16 to FY 2019-20. Hence, the Group is of the view, that there is no further liability on account of the Judgement.

**b. Defined benefit plan**

In accordance with the Payment of Gratuity Act of 1972, the group contribute to a defined benefit plan ("the Gratuity Plan"). The gratuity plan provides a lump sum payment to vested employees at retirement, withdrawal, resignation and death of an employee. The gratuity liability is calculated on the basis of fifteen days salary (i.e. last drawn basic salary) for each completed year of service subject to completion of four years and two forty days in service.

Based on actuarial valuations conducted as at year end, a provision is recognised in full for the benefit obligation over and above the funds held in the Gratuity Plan. In case where there is no Gratuity Plan, full provision is recognised in the consolidated balance sheet.

Mankind Pharma Limited and its subsidiaries including Magnet Labs Private Limited, Lifestar Pharma Private Limited, Medipack Innovations Private Limited, Relax Pharmaceuticals Private Limited, Copmed Pharmaceuticals Private Limited and Mediforce Healthcare Private Limited have constituted their respective trust recognized by Income Tax Authorities for gratuity to employees. Contributions to the trust are funded with Life Insurance Corporation ("LIC") of India and Bajaj Allianz Life Insurance Company Limited. The liability in respect of other entities within the group are unfunded.

**i. Risks associated with Plan Provisions**

Risks associated with the plan provisions are actuarial risks. These risks are:- (i) investment risk, (ii) interest risk (discount rate risk), (iii) mortality risk and (iv) salary growth risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit.
Interest risk (discount rate risk)	A decrease in the bond interest rate (discount rate) will increase the plan liability
Mortality risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For this report we have used Indian Assured Lives Mortality (2006-08) ultimate table. A change in mortality rate will have a bearing on the plan's liability.
Salary growth risk	The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March, 31 2020. The present value of defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

**ii. Principal actuarial assumptions:**

Principle actuarial assumption used to determine the present value of the benefit obligation are as follows:

S. No.	Particulars	Refer note below	Year ended 31 March 2020	Year ended 31 March 2019
i.	Discount rate (p.a.)	1	6.40%-6.92%	7.25%-7.80%
ii.	Rate of return on assets (p.a.)	2	7.24%-7.45%	7.60%
iii.	Salary escalation rate (p.a.) -Office Staff	3	5.00%-12.00%	5.00%-12.00%
iv.	Salary escalation rate (p.a.) -Field Staff		6.00%	6.00%

**Notes**

- The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- The expected return is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

**iii. Demographic assumptions:**

	As at 31 March 2020	As at 31 March 2019
1 Retirement age	55-60 years	55-60 years
2 Mortality rate	(100% of IALM 12-14)	(100% of IALM 06-08)
3 Average outstanding service of employee upto retirement	5.26-27.78	7.46-28.45
4 Number of employees	16,270	15,652
5 Attrition rate	20%-34% (Field staff)	17%-27%
- Service upto 5 years (Field Staff / Office Staff)	20% - Office staff	7%-9%
	10%-15% (Field staff)	3-24.7%
- Service above 5 Years (Field Staff / Office Staff)	5%-7% - Office staff	1.64%-13.08%
		0%-5.93%
and	5.00-21.00%	
- Age up to 30 Years	3.00%-7.00%	
- Age from 31 to 44 years	0%-2.40%	
- Age above 44 years		





**Mankind Pharma Limited**  
**Notes forming part of the consolidated financial statements for the year ended March 31, 2020**  
**All amounts are in INR lacs unless otherwise stated**

The following tables set out the funded and unfunded status of the gratuity plan and amounts recognised in the Group's financial statements:

S. No. Particulars	Funded Plan		Unfunded Plan	
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
<b>a. Amounts recognised in the Consolidated statement of Profit and Loss in respect of these defined benefits plans are as follows:</b>				
Current service cost				
Past service cost	816.00	769.78	66.90	84.92
Net interest expenses	103.06	0.27	2.09	7.14
<b>Components of defined benefit costs recognised in Consolidated Statement of Profit and Loss</b>	<b>221.21</b>	<b>231.50</b>	<b>6.45</b>	<b>3.57</b>
	<b>1,158.88</b>	<b>1,001.55</b>	<b>75.44</b>	<b>95.64</b>
<b>b. Remeasurement on the net defined benefit liability:</b>				
Actuarial (gain)/loss due to change in demographic assumptions	154.84	(23.14)	0.06	20.56
Actuarial (gain)/loss due to change in financial assumptions	980.58	119.96	25.72	0.27
Actuarial (gain)/loss due to change in experience variance	205.06	66.50	(7.02)	4.64
Actuarial (gain)/loss due to change in plan asset	(74.70)	117.79	-	-
<b>Component of defined benefit costs recognised in other comprehensive income</b>	<b>1,265.77</b>	<b>281.11</b>	<b>18.76</b>	<b>25.47</b>

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' in the Consolidated financial statement of Profit and Loss. The remeasurement of the net defined benefit liability is included in the other comprehensive income.

**c. The amount included in the Consolidated Balance Sheet arising from the entity's obligation in respect of its defined benefits plans as follows:**

	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Present value of defined benefit obligation	8,386.14	6,403.22	5,432.24
Fair value of plan assets	2,061.69	1,906.13	2,086.70
<b>Funded status surplus/(deficit)</b>	<b>(6,324.45)</b>	<b>(4,497.08)</b>	<b>(3,345.54)</b>
Less: Adjustment on account of discontinuing operations	-	-	(2.98)
<b>Net funded status surplus/(deficit)</b>	<b>(6,324.45)</b>	<b>(4,497.08)</b>	<b>(3,342.56)</b>

**d. Movement in the fair value of the defined benefit obligation:**

	Funded Plan		Unfunded Plan	
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
Opening defined benefit obligation	6,291.07	5,386.46	112.15	45.77
Current service cost	816.00	769.78	66.90	84.92
Past Service Cost	103.06	0.27	2.09	7.14
Interest cost	363.33	390.45	6.45	3.57
Actuarial (gain)/loss on obligation	1,340.47	163.32	18.76	25.48
Acquisition/Divestiture	(22.94)	0.74	-	-
Benefits paid	(708.57)	(419.95)	(2.62)	(54.73)
<b>Closing defined benefit obligations</b>	<b>8,182.41</b>	<b>6,291.07</b>	<b>203.73</b>	<b>112.15</b>

**e. Movement in the fair value of the plan assets are as follows:**

Opening fair value of plan assets	1,906.13	2,086.70	-	-
Expected return on plan assets	142.12	158.95	-	-
Employer's contributions	647.30	198.23	-	-
Fund Management Charges (FMC)	-	-	-	-
Benefits paid	(708.57)	(419.95)	-	-
Actuarial gain / (loss)	74.70	(117.80)	-	-
<b>Closing fair value of plan assets</b>	<b>2,061.69</b>	<b>1,906.13</b>	-	-

**f. Sensitivity Analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation (DBO) are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Decrease in DBO	Increase in DBO	Decrease in DBO	Increase in DBO
Discount Rate (-/+0.5%)	310.40	(287.84)	284.90	(262.87)
Salary Growth Rate (-/+0.5%)	(274.55)	290.70	(263.29)	279.64

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit liability recognised in the Balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**g. The expected maturity analysis of undiscounted defined benefit obligation is as follows:**

Expected cash flows over the next	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
	1 year	881.42	601.80
2 to 5 years	3,016.86	2,142.73	1,843.07
More than 5 years	3,485.39	2,723.57	2,335.05

**h. Actuarial assumptions for compensated absences**

S. No. Particulars	Refer note below	Year ended 31 March 2020	Year ended 31 March 2019
		i Discount rate (p.a.)	1
ii Salary escalation rate (p.a.)	3	5.00%-12.00%	5.00%-12.00%

**Notes**

- The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- The compensated absences are unfunded.
- The estimates of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors.



#### 40 Capital Management

For the purposes of Group's capital management, Capital includes equity attributable to the equity holders of the Group and all other equity reserves. The primary objective of the Group's capital management is to safeguard its ability to continue as going concern and to ensure that it maintains an efficient capital structure and maximize shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2020 and March 31, 2019 except for budgeting for cash flow projections considering the impact of ongoing pandemic COVID - 19. The Group has negative capital gearing ratio as it does not have any debt outstanding as at 31 March 2020 and 31 March 2019. Capital gearing ratio is net debt divided by total capital plus net debt and Net debt is calculated as loans and borrowings less cash and cash equivalent.

The following table summarizes the capital of the Group:

Particulars	As at March 31, 2020	As at March 31, 2019 (Restated)	As at April 01, 2018 (Restated)
Debt (a)			
Cash and cash equivalents (Note 15)	10,247.29	26,657.60	40,718.68
<b>Total Cash (b)</b>	<b>22,607.53</b>	<b>11,639.03</b>	<b>13,553.56</b>
<b>Net debt (c = (a-b))</b>	<b>(12,360.24)</b>	<b>15,018.57</b>	<b>27,165.12</b>
Total Equity / Net Worth	3,67,157.13	2,98,167.27	2,85,401.15
Capital and Net Debt	<b>3,54,796.89</b>	<b>3,13,185.84</b>	<b>3,12,566.27</b>
<b>Gearing ratio (Net Debt/Capital and Net Debt)</b>	<b>-3.48%</b>	<b>4.80%</b>	<b>8.69%</b>

#### 41 Financial Instruments

##### A Financial risk management objective and policies

The Group's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group is exposed to market risk, credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Group are accountable to the Board of Directors and Audit Committee. This process provides assurance to Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Group policies and Group risk objective. In the event of crisis caused due to external factors such as caused by recent pandemic "COVID-19", the management assesses the recoverability of its assets, maturity of its liabilities to factor it in cash flow forecast to ensure there is enough liquidity in these situations through internal and external source of funds. These forecast and assumptions are reviewed by board of directors.

##### Financial assets and liabilities:

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

March 31, 2020	FVTPL	FVTOCI	Amortised Cost	Total carrying value	Total fair value
<b>Financial assets</b>					
Investments	66,504.50	-	-	66,504.50	66,504.50
Trade receivables	-	-	53,109.20	53,109.20	53,109.20
Cash and cash equivalents	-	-	22,607.53	22,607.53	22,607.53
Other bank balances	-	-	19,380.20	19,380.20	19,380.20
Loans	-	-	3,459.72	3,459.72	3,459.72
Other current financial assets	-	-	448.69	448.69	448.69
Other non current financial assets	-	-	3,092.99	3,092.99	3,092.99
<b>Total</b>	<b>66,504.50</b>	<b>-</b>	<b>1,02,098.33</b>	<b>1,68,602.83</b>	<b>1,68,602.83</b>
<b>Financial liabilities</b>					
Borrowings	-	-	10,247.29	10,247.29	10,247.29
Trade payables	-	-	74,511.01	74,511.01	74,511.01
Other current financial liabilities	-	-	12,058.57	12,058.57	12,058.57
Other non current financial liabilities	-	-	382.82	382.82	382.82
<b>Total</b>	<b>-</b>	<b>-</b>	<b>97,199.69</b>	<b>97,199.69</b>	<b>97,199.69</b>
<b>March 31, 2019 (Restated)</b>					
<b>Financial assets</b>					
Investments	54,328.41	-	-	54,328.41	54,328.41
Trade receivables	-	-	22,021.88	22,021.88	22,021.88
Cash and cash equivalents	-	-	11,639.03	11,639.03	11,639.03
Other bank balances	-	-	2,462.11	2,462.11	2,462.11
Loans	-	-	3,169.22	3,169.22	3,169.22
Other current financial assets	-	-	366.43	366.43	366.43
Other non current financial assets	-	-	2,694.63	2,694.63	2,694.63
<b>Total</b>	<b>54,328.41</b>	<b>-</b>	<b>42,353.31</b>	<b>96,681.71</b>	<b>96,681.71</b>
<b>Financial liabilities</b>					
Borrowings	-	-	26,657.60	26,657.60	26,657.60
Trade payables	-	-	56,196.90	56,196.90	56,196.90
Other current financial liabilities	-	-	6,992.28	6,992.28	6,992.28
Other non current financial liabilities	-	-	100.00	100.00	100.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>89,946.78</b>	<b>89,946.78</b>	<b>89,946.78</b>



April 01, 2018 (Restated)	FVTPL	FVTOCI	Amortised Cost	Total carrying value	Total fair value
<b>Financial assets</b>					
Investments	64,988.86	-	-	64,988.86	64,988.86
Trade receivables	-	-	-	-	-
Cash and cash equivalents	-	-	29,662.37	29,662.37	29,662.37
Other bank balances	-	-	13,553.56	13,553.56	13,553.56
Loans	-	-	422.58	422.58	422.58
Other current financial assets	-	-	3,077.86	3,077.86	3,077.86
Other non current financial assets	-	-	295.95	295.95	295.95
<b>Total</b>	<b>64,988.86</b>	<b>-</b>	<b>48,976.75</b>	<b>1,13,965.61</b>	<b>1,13,965.61</b>
<b>Financial liabilities</b>					
Borrowings	-	-	-	-	-
Trade payables	-	-	40,718.68	40,718.68	40,718.68
Other current financial liabilities	-	-	64,924.60	64,924.60	64,924.60
Other Non-current financial liabilities	-	-	26,028.63	26,028.63	26,028.63
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,31,671.91</b>	<b>1,31,671.91</b>	<b>1,31,671.91</b>

#### B Fair value measurements

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current financial assets and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these Instruments.

The fair value of the other financial assets and liabilities is included at the amount at which the Instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1) The fair value of unquoted instruments, loans from banks, other non-current financial assets and non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

2) The fair values of the Group's interest-bearing borrowings are determined by using effective interest rate (EIR) method using discount rate that reflects the Issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2020 was assessed to be insignificant.

3) Long-term receivables/payables are evaluated by the Group based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

#### 4) Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Financial Assets	Fair value as at			Fair value hierarchy (level)	Valuation techniques and key inputs
	As at March 31, 2020	As at March 31, 2019 (Restated)	As at April 01, 2018 (Restated)		
At fair value through profit and loss					
Investments in mutual funds	66,503.25	54,326.66	64,987.11	Levels 1	
Investments - other	1.25	1.75	1.75	3	See note i below
Trade receivables	53,109.20	22,021.88	29,662.37	3	See note ii below
Cash and cash equivalents	22,607.53	11,639.03	13,553.56	1	
Other bank balances	19,380.20	2,462.11	422.58	1	
Loans	3,459.72	3,169.22	3,077.86	3	
Other current financial assets	448.69	366.43	295.95	3	
Other non current financial assets	3,092.99	2,694.63	1,964.43	3	
<b>Total</b>	<b>1,68,602.83</b>	<b>96,681.71</b>	<b>1,13,965.61</b>		

i) Investment in mutual funds traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual funds declared by mutual fund house.

ii) In the absence of observable inputs to measure fair value the assets have been classified as level 3. The Group has not given further disclosures since the amount involved is not material.

#### Fair value of the financial assets and liabilities that are not measured at fair value (but fair value disclosures are required)

The management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statement approximates their fair values.

#### Risk management framework

##### Risk management

The Group has exposure to the following risks arising from financial instruments:

- Market risk
- Liquidity risk
- Credit risk

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

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

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





**Financial risk**

The Group's Board approved financial risk policies comprise liquidity, currency, interest rate and counterparty risk. The Group does not engage in speculative treasury activity but seeks to manage risk and optimize interest through proven financial instruments.

**a) Credit Risk**

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Possible credit risk

Credit risk related to trade receivables

Credit risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The loans advanced by the Group carries interest and are granted after evaluating the purpose and credit worthiness of the counter party. The loan advanced are backed by personal guarantee of the director of the counter party.

Moreover, given the diverse nature of the Group's businesses trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 10.0% or more of trade receivable on a % basis in any of the years indicated.

Receivables are deemed to be past due or impaired with reference to the Group's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Credit risk related to bank balances

Group holds bank balances with reputed and creditworthy banking institution within the approved exposures limit of each bank. None of the Group's cash equivalents, including time deposits with banks, are past due or impaired. Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet at 31 March 2020 is the carrying amounts. The Group's maximum exposure relating to financial instrument is noted in liquidity table below.

Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
<b>Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)</b>			
Cash and cash equivalents	22,607.53	11,639.03	13,553.56
Other bank balances	19,380.20	2,462.11	422.58
Loans	3,459.72	3,169.22	3,077.86
Other current financial assets	448.69	366.43	295.95
Other non current financial assets	3,092.99	2,694.63	1,964.43
<b>Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)</b>			
Trade receivables	53,109.20	22,021.88	29,662.37

Credit risk related to investments

The Group has made investments in highly liquid SEBI regulated public sector mutual funds to meet their short term liquidity objectives. The Group analyses the credit worthiness of the party before investing their funds.

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Other credit risk

The Group is exposed to credit risk in relation to financial guarantees given on behalf of group companies.

**b) Liquidity**

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. The Group's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. The Group assessed the concentration of risk with respect to its debt and concluded it to be low. The Group remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening our balance sheet. The maturity profile of the Group's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Group.

**Financial liabilities**

Borrowings  
 Trade payables  
 Other financial liabilities

	As at March 31, 2020		
	Less than 1 year	More than 1 year	Total
Borrowings	4,428.02	5,819.27	10,247.29
Trade payables	74,511.01	-	74,511.01
Other financial liabilities	12,058.57	382.82	12,441.39
<b>Total</b>	<b>90,997.60</b>	<b>6,202.09</b>	<b>97,199.69</b>

**Financial liabilities**

Borrowings  
 Trade payables  
 Other financial liabilities

	As at March 31, 2019		
	Less than 1 year	More than 1 year	Total
Borrowings	24,146.41	2,511.19	26,657.60
Trade payables	56,196.90	-	56,196.90
Other financial liabilities	6,992.28	100.00	7,092.28
<b>Total</b>	<b>87,335.58</b>	<b>2,611.19</b>	<b>89,946.77</b>



Financial liabilities	
Borrowings	
Trade payables	
Other Current financial liabilities	
<b>Total</b>	

Less than 1 year	As at April 01, 2018		Total
	More than 1 year		
40,414.78	303.90		40,718.68
64,924.60	-		64,924.60
<b>26,028.63</b>			<b>26,028.63</b>
<b>1,31,368.01</b>	<b>303.90</b>		<b>1,31,671.91</b>

**c) Interest rate risk**

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure of the Group's fixed rate financial liabilities to interest rate risk is as follows:

The exposure of the Group's financial assets to interest rate risk is as follows:

	As at	Impact on profit or loss	
		1% Increase	1% decrease
Borrowings (Impact on profit and loss)	March 31, 2020	102.47	(102.47)
Borrowings (Impact on profit and loss)	March 31, 2019	745.11	(745.11)
Borrowings (Impact on profit and loss)	April 01, 2018	124.41	(124.41)

**Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments, and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at reporting date. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item and equity is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2020 and March 31, 2019.

The Group manages surplus funds through investments in mutual fund plans regulated by Securities Exchange Board of India (SEBI). The NAV declared by Asset Management Companies (AMC) has generally remained constant on the mutual fund plans taken by the Group. However, if the NAV of the fund is increased/decreased by 5%, the sensitivity analysis has been mentioned below:

**Movement of 5%**

Impact on profit and equity

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
	3,325.16	2,716.33	3,249.35

**Commodity Price Risk**

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing trading of pharmaceutical items and therefore require a continuous supply of pharmaceutical products. Due to COVID 19, the significantly increased volatility of the quantity of pharmaceutical products might lead to a situation of increase in lead time to procure the goods for this the Group's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

**d) Foreign Currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

**Foreign currency risk sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in USD & SGD exchange rates, with all other variables held constant. The impact on the Group profit before tax and equity is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognised by the Group that have not been hedged by a derivative instrument or otherwise are as under:

March 31, 2020				Impact on profit before tax and equity	
Nature	Currency	Foreign Currency	Indian Rupees	1% increase	1% decrease
		In Lacs.	In Lacs.	In Lacs.	In Lacs.
Receivable	US Dollar (USD)	83.60	6,677.23		
Payable	US Dollar (USD)	14.27	1,450.79	66.77	(66.77)
Receivable	Singapore Dollar (SGD)	0.83	48.85	14.51	(14.51)
Payable	Singapore Dollar (SGD)	5.95	351.90	0.49	(0.49)
				3.52	(3.52)

March 31, 2019				Impact on profit before tax and equity	
Currency	Currency	Foreign Currency	Indian Rupees	1% Increase	1% decrease
		In Lacs.	In Lacs.	In Lacs.	In Lacs.
Receivable	US Dollar (USD)	95.53	7,062.04	70.62	(70.62)
Payable	US Dollar (USD)	8.60	1,177.87	11.78	(11.78)
Receivable	Singapore Dollar (SGD)	0.42	25.64	0.26	(0.26)
Payable	Singapore Dollar (SGD)	5.64	288.62	2.89	(2.89)



**42 Discontinuing operations as at April 01, 2018 on account of demerger of leasing business**

The Holding Company had filed a scheme of demerger with National Company Law Tribunal for demerger of leasing business with effect from April 01, 2018. Pursuant to the approval of National Company Law Tribunal vide order dated May 18, 2018 to the Scheme of Arrangement ("The Scheme"), the assets and liabilities pertaining to Leasing business of the Group (comprising of Applan Buildheights LLP, Applan Buildrise LLP, Applan Buildwell LLP, Applan Projects LLP, Gyan Infrastructure Company Private Limited, Applan Associates Infrastructure Private Limited), will be transferred to and vested in Mankind Biosys Private Limited (subsidiary) with effect from appointed date i.e. April 1, 2018, in accordance with the Scheme. The order had also been filed with Registrar of Companies on June 07, 2018.

On account of proposed demerger, the assets and liabilities of demerged undertaking have been transferred to Mankind Biosys Private Limited with effect from April 1, 2018 is as follows:-

The major classes of assets and liabilities of the discontinuing operations are as under:-

	<u>As at</u> <u>April 01, 2018</u>
<b>Assets:</b>	
<b>Non current assets</b>	
Property, plant and equipment	
Free hold Land	2,915.80
Building	423.51
Plant and equipment	29.94
	<u>3,369.25</u>
Investment properties (See note (i) below)	
Land	2,841.68
Building	34,319.57
Plant and equipment	280.50
Furniture and fixtures	78.07
Office equipment	3.76
	<u>37,523.58</u>
Financial assets	
Investments (See note (ii) below)	
Beyondtime Consultants Private Limited	501.00
Other financial assets	
Security deposits	733.48
Interest accrued	0.46
Deferred tax assets	
Income tax assets (net)	2.02
	3.16
<b>Current assets</b>	
Financial assets	
Investments	
Trade receivables	1,390.61
Cash and cash equivalents	166.49
Loans to others	1,676.42
Others	250.00
Other current assets	111.06
	14.87
<b>Total assets</b>	<u>45,742.40</u>
<b>Liabilities</b>	
<b>Non current liabilities</b>	
Financial liabilities	
Borrowings	
Unsecured loans from others	99.50
Deferred tax liabilities (net)	2.33
<b>Current liabilities</b>	
Financial liabilities	
Trade payables	53.29
Other financial liabilities	
Trade/security deposits from vendors and others	2,020.87
Provisions	
Income tax liabilities (net)	3.33
Other current liabilities- statutory liabilities	12.68
	61.11
<b>Total liabilities</b>	<u>2,253.11</u>
<b>C. Capital reserve:</b>	
Net assets	43,489.30
Goodwill of demerged subsidiaries	2,250.70
NCI of demerged subsidiaries	(1,641.98)
<b>Amount debited to Capital reserve</b>	<u>44,098.02</u>

**Notes:**

- (i). Total fair value of above investment properties was INR 40,350.97 lacs as at April 01, 2018.  
(ii) Above investments are in unquoted optionally convertible debentures (fully paid up).





43 Disclosure as required under Ind AS-8 "Accounting policies, changes in accounting estimates and errors" in respect of restatement/reclassification made in prior period information

(a) Acquisition of Subsidiaries under Common control

The group had acquired following subsidiaries during financial year 2018-19 :

Name of entity	Principal Activity of the entity	Relationship with the Company	Date of Acquisition	Proportion of Ownership Interest and Voting power held by the Group	Consideration transferred / already acquired (In INR Lacs )
Pharma Force Lab	Manufacturing of pharmaceutical and healthcare products	Step down Subsidiary (Subsidiary of Applian Properties Private Limited)	April 01, 2018	63%	10,869.39
Penta Latex LLP *	Manufacturing of consumer goods	Direct subsidiary	April 01, 2018	68%	6,117.70

\* consideration of INR 6,117.70 includes INR 586.75 lacs which was held before this acquisition

**Breakup of consideration paid: Amount (in INR lacs)**  
Through cash 16,987.09

The Group considers the acquisition of the these subsidiaries as a common control business combination as it involved entities in which the combining entity is ultimately controlled by the same group of individuals under an arrangement to exercise joint control, both before and after the business combination, and that control is not transitory.

Accordingly, the business combination has been recorded applying the pooling of interest method whereby:

- (i) The assets and liabilities of these entities are reflected at their carrying amounts.
- (ii) No adjustments has been made to reflect fair values or recognize new assets or liabilities.
- (iii) The financial numbers of these entities in the consolidated financial statements in respect of prior periods has been restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combinations.
- (iv) The balance of the retained earnings appearing in the financial statements of these entities has been aggregated with the corresponding balance appearing in the Consolidated financial statements of the Group.

**Following is the summary of consideration paid and net assets acquired:**

Particulars	Penta latex	Pharma Force labs	Total
<b>Net assets acquired (A)</b>	3,309.20	6,350.46	9,659.66
<b>Consideration paid (B)</b>	6,117.70	10,869.39	16,987.09
<b>Non-Controlling interest (C)</b>	926.17	2,366.74	3,292.91
<b>Amount recorded as capital reserve (B-A+C) *</b>	<b>3,734.67</b>	<b>6,885.67</b>	<b>10,620.34</b>

\* Pursuant to Ind AS-8 "Accounting policies, changes in accounting estimates and errors" (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015), the Group has corrected capital reserve recognition during the year of INR 10,620.34 lacs (difference between consideration paid and net assets acquired net of non-controlling interests) in accordance with appendix C to Ind AS 103 - Business Combination. Total capital reserve erroneously recognised in previous year ending March 31, 2019 was INR 16,868.57 lacs which have been corrected in the current year and difference of INR 6,248.23 lacs has resulted in decrease of retained earnings.

The above restatement doesn't have any impact on the profit, hence no change in the basic and diluted earnings per share of the current year and previous year.



**Mankind Pharma Limited**  
**Notes forming part of the consolidated financial statements for the year ended March 31, 2020**  
**All amounts are in INR lacs unless otherwise stated**

(b) Disclosures pursuant to Ind AS-8 "Accounting policies, changes in accounting estimates and errors" (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are given below:  
 Following are the restatements made in the current year financial statements in previous year.

Particulars	Note no.	31 March 2019 (reported)	31 March 2019 (Restated)	Nature
<b>Assets</b>				
Capital work in progress	4	31,135.72	31,028.66	Reclassification items
Intangible assets under development	6	-	107.06	Reclassification items
Investment properties - current	5	281.37	-	Reclassification items
Assets held for sale	18	5,215.21	5,496.58	Reclassification items
<b>Other financial assets</b>				
Security and earnest money deposits - non current	10	1,506.16	1,392.72	Reclassification items
Security and earnest money deposits - current	10	210.51	323.95	Reclassification items
<b>Assets &amp; liabilities</b>				
Balances with Government authorities - non current	12	212.94	446.51	Reclassification items
Income tax receivable (net of provisions)	11	7,214.78	6,950.53	Reclassification items
Balances with Government authorities - current	12	15,609.01	14,552.16	Reclassification items
Total outstanding dues of creditors other than micro enterprises and small enterprises	25	49,072.71	47,985.18	Reclassification items
<b>Assets &amp; liabilities</b>				
Trade receivables - Unsecured, considered good	14	23,180.87	22,129.87	Reclassification items
Contract liabilities	24	1,657.24	606.24	Reclassification items
<b>Revenue &amp; other expenses</b>				
Sale of products	27	5,01,483.67	4,96,829.59	Reclassification items
Sale of raw materials	27	188.92	-	Reclassification items
Advertising and sales promotion expenses	34	40,579.35	35,736.35	Reclassification items
<b>Other income</b>				
Others	28	1,394.02	390.02	Reclassification items
Government grant income	28	215.18	1,219.18	Reclassification items
<b>Expenses</b>				
Cost of materials consumed	29	89,080.70	93,102.83	Reclassification items
Purchases of stock-in-trade	29	77,599.80	77,713.39	Reclassification items
Consumption of packing materials	34	3,712.00	-	Reclassification items
Freight cartage and other distribution cost	34	5,305.67	4,881.95	Reclassification items
<b>Employee benefits expense</b>				
Contribution to provident and other fund	31	4,911.03	3,935.97	Reclassification items
Gratuity expense	31	119.44	1,094.50	Reclassification items
<b>Other expenses</b>				
Corporate social responsibility expenditure	34	-	1,781.12	Reclassification items
Donation and contributions	34	1,781.12	-	Reclassification items

The above restatements in previous year have been made, wherever necessary to conform to the current year classification/disclosure and doesn't have any impact on the profit, hence no change in the basic and diluted earnings per share of the previous year. These restatements doesn't have any impact at the beginning of the previous year.

(c) In earlier years, general reserve in respect of certain entities within the group was erroneously disclosed in consolidated financial statement which has now been corrected in Retained earnings amounting to INR 2,021.25 lacs. The said restatement being within equity (free reserves) doesn't have any impact on the profit, hence no change in the basic and diluted earnings per share of the previous year.



**Mankind Pharma Limited**  
**Notes forming part of the consolidated financial statements for the year ended March 31, 2020**  
**All amounts are in INR lacs unless otherwise stated**

(d) Till March 31, 2019, the holding company had accounted erroneously the interest in two entities; Superba warehousing LLP and North east pharma pack; in which the holding company had invested 51% and 57.50% respectively as joint ventures and accounted using equity method of accounting, instead of subsidiaries which has been corrected in financial year ending March 31, 2020. Accordingly the prior period information has been restated.  
 Key figures in respect of these entities consolidated in previous year are as below:

Particulars	Superba warehousing LLP		North East Pharma Pack	
	As at March 31, 2019	As at April 01, 2018	As at March 31, 2019	As at April 01, 2018
Current Assets	36.65	20.40	706.98	121.17
Non Current Assets	1,448.30	1,137.80	2,333.00	763.38
Current Liabilities	49.50	48.28	816.65	96.74
Non Current Liabilities	-	-	1,332.65	-
			<b>Year ended</b>	<b>Year ended</b>
			<b>March 31, 2019</b>	<b>March 31, 2019</b>
Revenue				1,874.21
Profit for the year				(173.09)
Other comprehensive income				0.66
Total Other Comprehensive Income				(172.43)

Impact on profit and loss and the basic and diluted earnings per share of the previous year of the group is given as below:

Particulars	Year ended March 31, 2019 (Reported)	Year ended March 31, 2019 (Restated)
Profit for the year	61,141.31	61,048.02
Profit for the year attributable to Owners of the Company	57,852.86	57,852.86
Total comprehensive income for the year	61,366.36	61,273.07
Total comprehensive income for the year attributable to Owners of the Company	58,073.90	58,073.90
Basic earnings per share	15.26	14.44
Diluted earnings per share	15.26	14.44





**44 Related party disclosures**

List of related parties and relationships

**(1) List of related parties**

Jointly Ventures

Superba Developers  
 Superba Buildwell (South)  
 Superba Buildwell

Associates

ANM Pharma Private Limited  
 Om Sai Pharma Pack  
 Sirmour Remedies Private Limited  
 J.K Print Pack  
 A. S. Packers  
 N.S. Industrie

Key Management Personnel (KMP)

Prem Kumar Arora  
 Ramesh Chand Juneja  
 Raieev Juneja  
 Sheetal Arora  
 Ariun Juneja  
 Satish Kumar Sharma

Relatives of KMP (with whom transactions have taken place)

Eklavya Juneja  
 Chanakya Juneja  
 Ayushi Juneja  
 Esha Arora  
 Nidhi Arora  
 Prabha Arora  
 Poonam Juneja  
 Puja Juneja  
 Ria Chopra Juneja

Others (with whom transactions have taken place) includes the following-:

a. Entities under the control, joint control or significant influence of KMP or their relatives.

A To Z Packers  
 ANM Properties Pvt. Ltd.  
 Alankrit Handicraft Private Limited  
 Casablanca Securilties Private Limited  
 Casablanca Lifesciences LLP  
 Indu Buildwell Private Limited  
 Luxor Metaltech Industrics Private Limited  
 Nextwave (India)  
 Pathkind Diagnostics Private Limited  
 Paonta Process Equipment  
 Print Man  
 Rashi Apparels Private Limited  
 Rashmi Exports Private Limited  
 Saburi Sai Ram Buildtech Private Limited  
 Star Infra Developers Private Limited  
 Teen Murti Product Private Limited.  
 Jagdish Chand Juneja Foundation  
 Mankind Biosys Private Limited\*  
 Ramesh Juneja Family Trust  
 Rajeev Juneja Family Trust  
 Prem Sheetal Family Trust  
 Ayushi & Poonam Estates LLP  
 Casablanca Lifesciences LLP  
 Intercity Corporate Towers LLP

b. Post retirement benefits plan

Lifestar Pharma Private Limited Employees' Group  
 Gratuity Assurance Scheme  
 Mankind Pharma (P) Limited Employees' Group  
 Gratuity Trust  
 Magnet Labs Pvt. Ltd. Employees' Group Gratuity  
 Assurance Scheme  
 Medipack Innovation Pvt. Ltd. Employees' Group  
 Gratuity Assurance Scheme

\* Demerged from the Group w.e.f. 01.04.2018



Mankind Pharma Limited  
Notes forming part of the consolidated financial statements for the year ended March 31, 2020

All amounts are in INR, unless otherwise stated

44 (ii) Transactions occurred during the year

Particulars	Associates		Joint ventures		Others		KMP		Relative of KMP		Total	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>A. Sale of products</b>												
Sirmour Remedies Private Limited	411.77	161.27	-	-	-	-	-	-	-	-	411.77	161.27
Pathkind Diagnostics Private Limited	877.25	872.13	-	-	0.14	0.16	-	-	-	-	0.14	0.16
J. K. Printback	-	-	-	-	0.62	1.21	-	-	-	-	0.62	1.21
A To Z Packers	-	22.04	-	-	-	-	-	-	-	-	-	22.04
Om Sai Pharma Pack	4.65	679.31	-	-	14.18	1.98	-	-	-	-	4.65	679.31
ANM Pharma Private Limited	-	-	-	-	-	-	-	-	-	-	-	1.98
Jacchid Chand Juneja Foundation	-	-	-	-	14.84	3.35	-	-	-	-	14.84	3.35
	<b>1,293.67</b>	<b>1,734.75</b>			<b>14.84</b>	<b>3.35</b>					<b>1,308.51</b>	<b>1,737.61</b>
<b>B. Sale of services</b>												
Om Sai Pharma Pack	-	6.29	-	-	-	-	-	-	-	-	-	6.29
Sirmour Remedies Private Limited	19.60	14.99	-	-	-	-	-	-	-	-	19.60	14.99
A To Z Packers	0.27	0.21	-	-	0.17	0.18	-	-	-	-	0.17	0.18
A.S. Packers	15.84	14.44	-	-	-	-	-	-	-	-	0.27	0.21
J. K. Printback	-	0.10	-	-	-	-	-	-	-	-	15.84	14.44
N S Industries	-	-	-	-	6.61	2.82	-	-	-	-	6.61	2.82
Next Wave (India)	0.46	-	-	-	-	-	-	-	-	-	0.46	-
Om Sai Pharma Pack	-	-	-	-	-	0.03	-	-	-	-	-	0.03
Paonta Process Equipments	-	-	-	-	6.78	3.03	-	-	-	-	6.78	3.03
	<b>36.17</b>	<b>36.03</b>			<b>6.78</b>	<b>3.03</b>					<b>42.95</b>	<b>39.06</b>
<b>C. Sale of Raw Material/ Consumables</b>												
Sirmour Remedies Private Limited	22.85	26.48	-	-	12.07	-	-	-	-	-	22.85	26.48
A To Z Packers	1.54	1.58	-	-	-	-	-	-	-	-	12.07	10.00
A.S. Packers	412.90	115.32	-	-	-	-	-	-	-	-	1.54	1.58
J. K. Printback	-	-	-	-	-	1.53	-	-	-	-	412.90	115.32
Next Wave (India)	-	-	-	-	-	0.31	-	-	-	-	-	1.53
Print Man	-	-	-	-	-	-	-	-	-	-	-	0.31
	<b>437.30</b>	<b>143.39</b>			<b>12.07</b>	<b>11.84</b>					<b>459.37</b>	<b>155.22</b>
<b>D. Rental income</b>												
Rashi Anzorels Private Limited	-	-	-	-	2.00	24.00	-	-	-	-	2.00	24.00
					<b>2.00</b>	<b>24.00</b>					<b>2.00</b>	<b>24.00</b>
<b>E. Interest income on financial assets- loans</b>												
Casablanca Securities Private Limited	-	-	-	-	228.90	207.46	-	-	-	-	228.90	207.46
Indu Buildwell Private Limited	-	-	-	-	19.84	18.43	-	-	-	-	19.84	18.43
Rashmi Exports Pvt. Ltd.	-	-	-	-	0.53	0.08	-	-	-	-	0.53	1.08
					<b>249.27</b>	<b>226.96</b>					<b>249.27</b>	<b>226.96</b>
<b>F. Sale of property, plant and equipment</b>												
Sirmour Remedies Private Limited	6.68	32.22	-	-	-	-	-	-	-	-	6.68	32.22
Pathkind Diagnostics Private Limited	40.53	-	-	-	0.03	-	-	-	-	-	40.53	-
J. K. Printback	-	-	-	-	-	6.88	-	-	-	-	-	6.88
Paonta Process Equipments	-	-	-	-	0.03	6.88	-	-	-	-	0.03	6.88
	<b>47.21</b>	<b>32.22</b>			<b>0.03</b>	<b>6.88</b>					<b>47.24</b>	<b>39.10</b>
<b>G. Purchase of goods (net)</b>												
Om Sai Pharma Pack	4,722.00	1,905.67	-	-	-	-	-	-	-	-	4,722.00	1,905.67
Sirmour Remedies Private Limited	4,091.93	3,349.88	-	-	-	-	-	-	-	-	4,091.93	3,349.88
A To Z Packers	7,860.53	7,154.10	-	-	-	-	-	-	-	-	7,860.53	7,154.10
Sirmour Remedies Private Limited	-	-	-	-	1,272.56	1,161.70	-	-	-	-	1,272.56	1,161.70
A To Z Packers	2,718.22	2,634.67	-	-	-	-	-	-	-	-	2,718.22	2,634.67
J. K. Printback	10,948.63	11,676.32	-	-	-	-	-	-	-	-	10,948.63	11,676.32
N S Industries	1,235.26	1,790.12	-	-	-	-	-	-	-	-	1,235.26	1,790.12
Printman	-	-	-	-	8,324.14	6,931.54	-	-	-	-	8,324.14	6,931.54
	<b>31,576.56</b>	<b>28,510.76</b>			<b>9,787.62</b>	<b>8,262.85</b>					<b>41,364.18</b>	<b>36,773.61</b>



44 (ii) Transactions occurred during the year

Particulars	Associates		Joint ventures		Others		KMP		Relative of KMP		Total	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>H. Purchase of Raw Material and other components</b>												
Sirmour Remedies Private Limited	0.64	26.85	-	-	-	-	-	-	-	-	-	26.85
ANM Pharma Private Limited	-	9.68	-	-	-	-	-	-	-	-	-	9.68
A To Z Packers	-	-	-	-	146.47	135.35	-	-	-	-	-	146.47
A.S. Packers	596.23	395.90	-	-	-	-	-	-	-	-	-	596.23
J. K. Printback	587.24	270.18	-	-	-	-	-	-	-	-	-	587.24
N S Industries	1,747.58	954.62	-	-	-	-	-	-	-	-	-	1,747.58
Paonta Process Equipment	-	-	7.60	-	-	-	-	-	-	-	-	7.60
Printman	-	-	287.09	112.92	-	-	-	-	-	-	-	287.09
	<b>2,934.69</b>	<b>1,657.22</b>	<b>441.18</b>	<b>245.27</b>	<b>115.38</b>	<b>59.81</b>	<b>48.03</b>	<b>11.78</b>	<b>4.10</b>	<b>5.00</b>	<b>3,372.85</b>	<b>1,905.49</b>
<b>I. Purchase of property, plant and equipment</b>												
Paonta Process Equipment	-	-	-	-	115.38	48.03	-	-	-	-	-	115.38
Casablanca Lifesciences LLP	-	-	-	-	-	11.78	-	-	-	-	-	11.78
J. K. Printback	4.10	10.05	-	-	-	-	-	-	-	-	-	10.05
A.S. Packers	5.00	-	-	-	-	-	-	-	-	-	-	5.00
Sirmour Remedies Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
	<b>9.10</b>	<b>10.05</b>	<b>115.38</b>	<b>59.81</b>	<b>115.38</b>	<b>59.81</b>	<b>48.03</b>	<b>11.78</b>	<b>4.10</b>	<b>5.00</b>	<b>124.49</b>	<b>69.86</b>
<b>J. Purchase of services</b>												
Rashi Aparna Private Limited	-	-	-	-	9.23	111.19	-	-	-	-	-	9.23
Teem Nurti Products Private Limited	-	-	-	-	328.63	393.77	-	-	-	-	-	328.63
A.S. Packers	-	-	-	-	2.05	2.05	-	-	-	-	-	2.05
Pathkind Diagnostics Private Limited	-	-	-	-	7.63	8.14	-	-	-	-	-	7.63
Paonta Process Equipment	-	-	-	-	24.36	2.86	-	-	-	-	-	24.36
Star Infra Developers Private Limited	-	-	-	-	19.50	19.50	-	-	-	-	-	19.50
	-	-	<b>371.91</b>	<b>535.46</b>	<b>371.91</b>	<b>535.46</b>	<b>408.78</b>	<b>408.78</b>	<b>453.12</b>	<b>453.12</b>	<b>1,377.90</b>	<b>1,448.88</b>
<b>K. Rent expense</b>												
Alankrit Handicrafts Private Limited	-	-	-	-	453.12	408.78	-	-	-	-	-	453.12
Suherpa Buildwell	-	-	416.88	416.88	-	-	-	-	-	-	-	416.88
Suherpa Buildwell (South)	-	-	259.25	386.40	-	-	-	-	-	-	-	259.25
Suherpa Developers	-	-	247.45	235.62	-	-	-	-	-	-	-	247.45
J. K. Printback	1.20	1.20	-	-	-	-	-	-	-	-	-	1.20
	<b>1.20</b>	<b>1.20</b>	<b>923.58</b>	<b>1,038.90</b>	<b>453.12</b>	<b>408.78</b>	<b>416.88</b>	<b>386.40</b>	<b>235.62</b>	<b>247.45</b>	<b>1,377.90</b>	<b>1,448.88</b>
<b>L. Advances recoverable- Payment made by the entity on behalf of</b>												
Alankrit Handicrafts Private Limited	-	-	-	-	0.37	96.92	-	-	-	-	-	96.92
Casablanca Securities Private Limited	-	-	-	-	-	39.27	-	-	-	-	-	39.27
ANM Properties Pvt. Ltd.	-	-	-	-	-	2.33	-	-	-	-	-	2.33
Adrian Associates Infrastructure Private Limited	-	-	-	-	-	75.22	-	-	-	-	-	75.22
Next Wave India Private Limited	-	-	-	-	-	0.43	-	-	-	-	-	0.43
Pathkind Diagnostics Private Limited	-	-	-	-	-	3.92	-	-	-	-	-	3.92
Rashmi Exports Private Limited	-	-	-	-	-	4.77	-	-	-	-	-	4.77
Star Infra Developers Private Limited	-	-	-	-	-	13.48	-	-	-	-	-	13.48
Sandam Realtech Private Limited	-	-	-	-	-	14.01	-	-	-	-	-	14.01
Rashi Aparna Private Limited	-	-	-	-	-	8.90	-	-	-	-	-	8.90
Luxor Metaltech Industries Private Limited	-	-	-	-	-	6.65	-	-	-	-	-	6.65
Avushi & Poonam Estates LLP	-	-	-	-	-	39.21	-	-	-	-	-	39.21
Adrian Buildheights LLP	-	-	-	-	-	66.71	-	-	-	-	-	66.71
Adrian Buildrise LLP	-	-	-	-	-	66.81	-	-	-	-	-	66.81
Adrian Buildwell LLP	-	-	-	-	-	66.52	-	-	-	-	-	66.52
Adrian Projects LLP	-	-	-	-	-	66.70	-	-	-	-	-	66.70
Casablanca Lifesciences LLP	-	-	-	-	-	14.46	-	-	-	-	-	14.46
InterCity Corporate Towers LLP	-	-	-	-	-	44.58	-	-	-	-	-	44.58
Mankind Biosys Private Limited	-	-	-	-	-	116.98	-	-	-	-	-	116.98
Ramesh Chand Juneja	-	-	-	-	-	0.57	-	-	-	-	-	0.57
Rateev Juneja	-	-	-	-	-	2,456.40	-	-	-	-	-	2,456.40
Sheetal Arora	-	-	-	-	-	2,322.00	-	-	-	-	-	2,322.00
Eklavva Juneja	-	-	-	-	-	2,197.00	-	-	-	-	-	2,197.00
Artun Juneja	-	-	-	-	-	9.89	-	-	-	-	-	9.89
Avushi Juneja	-	-	-	-	-	13.28	-	-	-	-	-	13.28
Esha Arora	-	-	-	-	-	1,572.00	-	-	-	-	-	1,572.00
Nidhi Arora	-	-	-	-	-	2,353.00	-	-	-	-	-	2,353.00
Poonam Juneja	-	-	-	-	-	2,546.00	-	-	-	-	-	2,546.00
Putia Juneja	-	-	-	-	-	2,183.00	-	-	-	-	-	2,183.00
Ria Choora	-	-	60.20	-	-	-	-	-	-	-	-	60.20
ANM Pharma Private Limited	-	-	60.20	-	3.63	747.87	-	-	-	-	-	60.20
	-	-	<b>60.20</b>	-	<b>3.63</b>	<b>747.87</b>	-	-	-	-	-	<b>60.20</b>
	-	-	<b>11,456.17</b>	<b>6,975.97</b>	<b>11,456.17</b>	<b>6,975.97</b>	<b>11,456.17</b>	<b>6,975.97</b>	<b>11,456.17</b>	<b>6,975.97</b>	<b>11,456.17</b>	<b>19,250.21</b>









44 (iii) Balances outstanding as at the year end

Particulars	Associates		Joint ventures		Others		KMP				Total
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	
<b>A. Trade receivables</b>											
Sirmour Remedies Private Limited	669.47	949.20	131.28						659.47	349.20	131.28
Next Wave (India)	83.70	73.21	71.68						83.70	73.21	71.68
A.S. Packers	45.61	47.33	45.61		4.73	1.22	0.86		4.73	1.22	0.86
Om Sai Pharma Pack	0.08	6.70	0.50						0.08		0.50
Mankind Pharmaceuticals Private Limited		84.54									84.54
Pathkind Diagnostics Private Limited											6.00
Jacodish Chand Juneta Foundation					3.85	4.69					86.50
	788.85	560.97	249.08		7.68	5.91	0.86		7.68	5.91	4.69
<b>B. Trade payables</b>											
A. S. Packers	664.79	629.16			204.89	196.05	71.07		204.89	196.05	71.07
ANM Pharma Private Limited	663.36	332.62	154.43						663.36	332.62	154.43
J. K. Printpack	1,271.54	485.53	2,255.46						1,271.54	485.53	2,255.46
N.S. Industries	631.84	453.79	343.68		1,391.58	1,073.55	1,298.79		1,391.58	1,073.55	1,298.79
Om Sai Pharma Pack						0.14				0.14	
Paonta Process Equipments	697.36	695.70	643.88		119.56	64.17	71.09		118.55	64.17	71.09
Print Man					74.97	58.85	70.33		74.97	58.85	70.33
Sirmour Remedies Private Limited	629.85	939.58	1,519.25		71.57	94.82	35.38		71.57	94.82	35.38
Tech Pure Industries Private Limited											1,520.43
Paonta Process Equipments Private Limited											79.97
	4,578.74	3,751.37	5,242.62		1,861.72	1,510.89	1,546.66		1,861.72	1,510.89	1,546.66
<b>C. Payable for purchase of Property, Plant and Equipment</b>											
Paonta Process Equipment					11.75	1.06	1.06		11.75	1.06	1.06
<b>D. Other financial assets: Security deposits</b>											
Alankrit Handicrafts Private Limited					163.35	163.35	163.35		163.35	163.35	163.35
Sueroa Builders			112.20	112.20	106.59				106.59		106.59
Sueroa Builders (South)			207.94	207.94	193.20				207.94		207.94
			513.34	513.24	299.79	163.35	163.35		299.79	163.35	163.35
<b>E. Financial assets: Loans</b>											
Casablanca Securities Private Limited					3,027.59	2,627.41	2,440.70		3,027.59	2,627.41	2,440.70
Paonta Process Equipments Private Limited					251.30	233.44	215.06		251.30	233.44	215.06
Rashmi Exports Private Limited						15.14	14.07			15.14	14.07
Om Sai Pharma Pack	100.00	189.05							100.00	189.05	
	100.00	189.05			3,278.89	2,875.99	2,669.83		3,278.89	2,875.99	2,669.83
<b>F. Other assets: Advance receivable</b>											
Mankind Pharma (P) Ltd Employee's Group Gratuity Trust					249.79				249.79		
Magnet Labs Pvt. Ltd. Employee's Group Gratuity											0.62
Resourice Services											0.20
Nextpack Innovation Pvt. Ltd. Employee's Group Gratuity											4.04
Alankrit Pharma Scheme											5.94
N.S. Industries	0.93				0.18	0.20	0.20		0.93	0.20	0.20
A.S. Packers							145.00				145.00
Luxor Metalltech Industries Private Limited					29.43				29.43		
Paonta Process Equipments											9.51
Arjun Juneta	0.93				29.61	0.20	405.60		9.51	9.51	9.51
	2,013.42	2,716.96	2,618.58						2,013.42	2,716.96	2,618.58
<b>G. Financial assets: Investments</b>											
Om Sai Pharma Pack					1,389.71	1,409.99	1,547.29		1,389.71	1,409.99	1,547.29
Sueroa Builders					2,762.60	2,759.83	2,766.33		2,762.60	2,759.83	2,766.33
Sueroa Builders (South)					1,360.29	1,361.32	1,242.86		1,360.29	1,361.32	1,242.86
ANM Pharma Private Limited	209.71	160.31	174.52						209.71	160.31	174.52
Sirmour Remedies Private Limited	2,363.95	4,610.71	4,454.81						2,363.95	4,610.71	4,454.81
A.S. Packers	2,247.63	2,155.62							2,247.63	2,155.62	
J.K. Printpacks	1,195.35	3,150.32							1,195.35	3,150.32	
N.S. Industries	2,895.32	3,739.17							2,895.32	3,739.17	
	10,029.38	16,093.04	7,407.91	5,511.60	5,531.14	5,556.48			16,437.98	21,504.18	12,804.39
<b>H. Financial guarantees given</b>											
ANM Pharma Private Limited	10,000.00	11,500.00	11,500.00						10,000.00	11,500.00	11,500.00
	10,000.00	11,500.00	11,500.00						10,000.00	11,500.00	11,500.00
<b>I. Remuneration payable to KMP</b>											
Ramesh Chand Juneta					485.93	43.46	485.93		485.93	43.46	485.93
Rateev Juneta					1,135.51	130.02	1,135.51		1,135.51	130.02	1,135.51
Sheetal Arora					474.71	41.26	350.78		474.71	41.26	350.78
Arjun Juneta					349.93	30.02	266.61		349.93	30.02	266.61
					3,372.00	340.81	3,372.00		3,372.00	340.81	3,372.00
<b>J. Other Payables</b>											
Mankind Biocare Private Limited					1,213.87				1,213.87		
					1,213.87				1,213.87		
<b>K. Financial Liabilities: Borrowings</b>											
Mankind Biocare Private Limited					130.35	50.03			130.35	50.03	
Alankrit Handicrafts Pvt. Ltd.					344.48	200.12			344.48	200.12	
					344.48	200.12			344.48	200.12	





**45 Segment Information**

**45.1 Description of Segment and principal activities**

As per Ind AS-108, "Operating Segment" ( specified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act ) the Group's chief operating decision maker ('CODM') has identified pharmaceuticals and other related products as the reportable segments. The Group's has leased certain immovable properties to third parties and have Investment in subsidiaries having leasing business. However, since the revenue, total assets and profit is less than 10% hence this is not considered as reportable segment. Operating Segments have been defined and presented based on the regular review by CODM as per the following :

Pharmaceutical and other related products- The Group's main business is manufacturing and trading of pharmaceutical and other health care products in India.

Since the Group is having only one reportable segment hence disclosure requirement as per Ind As 108 is not applicable.

**45.2 Geographical Information**

The following table provides an analysis of the Group's sales by region in which the customer is located, Irrespective of the origin of the goods.

	Revenue from operations		Total assets		
	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)	As at March 31, 2020	As at March 31, 2019 (Restated)	As at April 01, 2018 (Restated)
India	5,78,864.96	4,92,448.90	5,00,601.98	4,04,154.70	4,37,029.72
Outside India	7,640.24	5,035.56	6,726.08	7,087.68	2,845.22
<b>Total</b>	<b>5,86,505.20</b>	<b>4,97,484.46</b>	<b>5,07,328.06</b>	<b>4,11,242.38</b>	<b>4,39,874.94</b>

**45.3** No single customer has accounted for more than 10% of the Group's revenue for the year ended March 31, 2020, March 31, 2019 and April 01, 2018.

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46 Distributions on equity shares

Particulars	Year ended 31 March 2020	Year ended 31 March 2019 (Restated)
<b>Cash dividends on equity shares declared and paid:</b>		
Dividend for the year ended March 31, 2020 (INR 4.45 per share) (Previous year INR 0.60 per share)	17,826.19	2,403.53
Interim dividend for the year ended March 31, 2020 (INR 3.10 per share) (Previous year Nil per share)	12,418.24	-
Dividend distribution tax on above	6,182.17	489.36
	<b>36,426.60</b>	<b>2,892.89</b>
<b>Proposed dividend on equity shares not recognised as a liability (See note below)</b>		
Final dividend for the year ended March 31, 2020 (INR Nil per share) (Previous year INR 4.45 per share)	-	17,826.19
Dividend distribution tax on above	-	3,665.06
	<b>-</b>	<b>21,491.25</b>

Note - Proposed dividend on equity shares is subject to the approval of the shareholders of the Group at the Annual General Meeting and not recognised as liability as at the Balance Sheet date.

47 Earnings per Equity Shares

Basic earnings per equity share has been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year. Diluted earnings per equity share has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

	Units	Year ended 31 March 2020	Year ended 31 March 2019 (Restated)
Profit attributable to equity holders of the parent	(INR /lacs)	1,03,041.69	57,852.86
Weighted average number of equity shares outstanding during the year	Numbers	400588440	400588440
Nominal value of equity shares	INR	1.00	1.00
Basic earnings per share	INR	25.72	14.44
Diluted earnings per share	INR	25.72	14.44

48 Expenditure on Corporate Social Responsibility

	Year ended 31 March 2020	Year ended 31 March 2019 (Restated)
(a) Gross amount required to be spent by the Group during the year	2,335.58	2,258.90
(b) Amount spent during the year ended March 31, 2020 and March 31, 2019 for the purposes other than construction/ acquisition of asset (of the above remained unpaid at year end)	1,987.29	1,781.12
	348.29	477.79

49 During the year, the Group has capitalised following preoperative expenses directly relatable to the cost of property, plant and equipment being expenses related to projects and developments, trial run. Consequently, expenses disclosed under the respective heads are net of amounts capitalised by the Group:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019 (Restated)
Cost of materials consumed	3.61	4.22
Employee benefits expense	221.81	679.43
Other expenses	809.56	804.00
	<b>1,034.98</b>	<b>1,487.65</b>

50 There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.



**Mankind Pharma Limited**  
Notes forming part of the consolidated financial statements for the year ended March 31, 2020  
All amounts are in INR lacs unless otherwise stated

**51 Associates and Joint ventures**

The Group does not have any material associates or joint ventures warranting a disclosure in respect of individual associates or jointly ventures.

**Aggregate information of Associates and Joint Ventures that are not individually material**

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Associates:</b>		
ANM Pharma Private Limited	46.59	(32.33)
Om Sai Pharma Pack	66.19	114.94
Sirmour Remedies Private Limited	186.16	121.74
A.S.Packers	223.86	168.43
J.K. Printpacks	73.63	140.07
N.S.Industries	189.89	167.91
<b>Joint ventures:</b>		
Superba Buildwell	117.20	80.79
Superba Developers	82.68	77.06
Superba Buildwell (South)	167.32	155.20
	<b>1,153.52</b>	<b>993.80</b>

**Aggregate carrying amount of the Group's interests in these associates and joint ventures**

**52 Disclosure required under Section 186 (4) of the Companies Act, 2013.**

**(i) Financial guarantees**

The holding Company has issued financial guarantees to banks on behalf of and in respect of loan facilities availed by its group companies. In accordance with the policy of the Group, the Group has designated such guarantees as 'Insurance Contracts'. The Group has classified financial guarantees as contingent liabilities. Accordingly, there are no assets and liabilities recognized in the balance sheet under these contracts. (i)

Refer below for details of the financial guarantees issued:

Company Name	Amount of Guarantee given				Amount of loan outstanding against guarantees			Purpose
	As at March 31, 2020	As at March 31, 2019 (Restated)	As at April 01, 2018 (Restated)	As at March 31, 2019 (Restated)	As at March 31, 2020	As at April 01, 2018 (Restated)	As at March 31, 2019 (Restated)	
ANM Pharma Private Limited	10,000.00	11,500.00	11,500.00	1,204.72	871.71	1,410.66	1,410.66	Extending fund based and non fund based credit facilities for capital expenditure and working capital requirement.
Packtime Innovations Private Limited	6,500.00	5,000.00	5,000.00	-	800.00	-	-	Extending fund based and non fund based credit facilities for capital expenditure and working capital requirement.
Shree Jee Laboratory Private Limited	1,500.00	1,500.00	-	-	-	-	-	Extending fund based and non fund based credit facilities for capital expenditure and working capital requirement.
JPR Labs Private Limited	3,500.00	3,500.00	-	1,417.24	2,249.11	-	-	Extending fund based and non fund based credit facilities for capital expenditure and working capital requirement.
Lifestar Pharma LLC	-	-	1,951.32	-	-	-	-	Extending fund based and non fund based credit facilities for capital expenditure and working capital requirement.
	<b>21,500.00</b>	<b>21,500.00</b>	<b>18,451.32</b>	<b>2,621.96</b>	<b>3,920.82</b>	<b>1,410.66</b>	<b>1,410.66</b>	





**Mankind Pharma Limited**  
**Notes forming part of the consolidated financial statements for the year ended March 31, 2020**  
**All amounts are in INR lacs unless otherwise stated**

**52 Disclosure required under Section 186 (4) of the Companies Act, 2013 Contd.**

(ii)	Particulars of Loans given	31 March 2020			31 March 2019		
		Loan given/ repaid	Outstanding Balance	Maximum amount outstanding	Outstanding Balance	Maximum amount outstanding	
	Casablanca Securities Pvt. Ltd	-	3,028.20	3,028.20	-	2,849.78	2,849.78
	Indu Buildwel (P) Ltd	-	251.30	251.30	1.80	233.44	233.44
	Om Sai Pharma Pack	-	100.00	100.00	-	189.00	189.00
	Lifestyle Buildcon Pvt. Ltd.	-	-	-	-	41.76	41.76
	Prakash Infrastructure & Developers Ltd	-	-	-	-	245.81	245.81

(iii)	Particulars of Investments	31 March 2020			31 March 2019		
		Investments made/ withdrawn	Outstanding Balance	Maximum amount outstanding	Investments made/ withdrawn	Outstanding Balance	Maximum amount outstanding
	Om Sai Pharma Pack	-	2,013.42	2,813.42	-	2,716.96	2,716.96
	Superba Buildwel	(225.00)	1,389.71	1,389.71	(218.09)	1,409.99	1,409.99
	Superba Buildwel (South)	(77.00)	2,762.60	2,762.60	(161.70)	2,759.83	2,759.83
	Superba Developers	(83.70)	1,360.29	1,360.29	41.40	1,361.32	1,361.32
	ANM Pharma Private Limited	-	209.71	209.71	-	160.31	160.31
	Sirmour Remedies Private Limited	-	2,363.95	4,863.95	-	4,610.71	4,610.71
	J K Print Packs	-	1,195.35	3,245.35	-	3,150.32	3,150.32
	N S Industries	-	2,895.32	3,295.32	-	3,239.12	3,239.12
	A S Packers	-	2,247.63	2,247.63	-	3,239.12	3,239.12



53 Goodwill/Capital Reserve on Consolidation

Goodwill arising on business combination is allocated, at the time of their acquisition that Group is expected to benefit from that business combination. The carrying amount of goodwill are as follows:

a) Goodwill are in respect of:

Name of the Subsidiary	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Jaspack Industries Private Limited	0.11	0.11	0.11
Lifestar Pharma Private Limited	290.59	290.59	290.59
Shreejee Laboratories Private Limited	339.72	339.72	339.72
Magnet Labs Private Limited	365.50	365.50	365.50
Broadway Hospitality Services Private Limited	546.38	546.38	546.38
Proliune Lifesciences Private Limited	116.68	116.68	116.68
Pavi Buildwell Private Limited	-	0.34	0.34
Applian Associates Infrastructure Private Limited (refer note 42)	-	-	2,250.70
JPR Labs Private Limited	385.24	385.24	385.24
<b>Total</b>	<b>2,044.22</b>	<b>2,044.56</b>	<b>4,295.26</b>

b) Below is the reconciliation of the carrying amount of goodwill:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance		
Add: On acquisitions during the year	2,044.56	2,044.56
Less: On account of impairment of goodwill (refer note 6)	0.34	-
<b>Closing balance</b>	<b>2,044.22</b>	<b>2,044.56</b>

The carrying amount of goodwill are stated above. The recoverable amounts have been determined based on value in use calculations which uses cash flow projections covering generally a period of five years (which are based on key assumptions such as margins, expected growth rates based on past experience and Management expectations. (refer note 6 for detailed disclosure)

c) Capital reserve on consolidation :

Name of the entity	As at March 31, 2020	As at March 31, 2019 (Restated)	As at April 01, 2018 (Restated)
Relax Pharmaceuticals Private Limited	(11,302.20)	(11,302.20)	(11,302.20)
Commed Pharmaceuticals Private Limited	(19,186.68)	(19,186.68)	(19,186.68)
Mediforce Healthcare Private Limited	(5,708.08)	(5,708.08)	(5,708.08)
Medipack Innovations Private Limited	17.16	17.16	17.16
Pharma Force Labs	(6,885.67)	(6,885.67)	(6,885.67)
Penta Latex LLP	(3,734.67)	(3,734.67)	(3,734.67)
	<b>(46,800.14)</b>	<b>(46,800.14)</b>	<b>(46,800.14)</b>
<b>Reconciliation of Capital reserve</b>			
Capital reserve on consolidation	(46,800.14)	(46,800.14)	(46,800.14)
Add: Adjustment on account of demerger (refer note 42)	(44,098.02)	(44,098.02)	-
<b>Capital reserve</b>	<b>(90,898.16)</b>	<b>(90,898.16)</b>	<b>(46,800.14)</b>



**Mankind Pharma Limited**  
**Notes forming part of the consolidated financial statements for the year ended March 31, 2020**  
**All amounts are in INR lacs unless otherwise stated**

**54 Disclosure of interest in Subsidiaries and Non Controlling Interest**

**a) Subsidiaries**

The Group has following subsidiaries held directly and indirectly by the Parent Company i.e. Mankind Pharma Limited, which operate and are incorporated around the world. Following are the details of shareholdings in the subsidiaries :

S. No.	Name of Company	Principal activities	Immediate holding company	Country of Incorporation	% Ownership Interest the Group		
					As at March 31, 2020	As at March 31, 2019 (Restated)	As at April 01, 2018 (Restated)
1	Lifestar Pharma Private Limited	Trading of pharmaceutical and health care products	Mankind Pharma Limited	India	85.00%	85.00%	85.00%
2	Magnet Labs Private Limited	Trading of pharmaceutical and health care products	Mankind Pharma Limited	India	92.00%	92.00%	92.00%
3	Broadway Hospitality Services Private Limited	Hospitality business	Mankind Pharma Limited	India	100.00%	100.00%	100.00%
4	Shree Jee Laboratory Private Limited	Manufacturing of bulk drugs	Mankind Pharma Limited	India	100.00%	100.00%	100.00%
5	Prolifune Lifesciences Private Limited	Trading of pharmaceutical and health care products	Mankind Pharma Limited	India	100.00%	100.00%	100.00%
6	Pavi Buildwell Private Limited	Real estate business	Mankind Pharma Limited	India	100.00%	100.00%	100.00%
7	Medipack Innovations Private Limited	Manufacturing of packing materials	Mankind Pharma Limited	India	51.00%	51.00%	51.00%
8	Jaspack Industries Private Limited	Manufacturing of packing materials	Mankind Pharma Limited	India	100.00%	100.00%	100.00%
9	Mahananda Soa and Rescrt Private Limited	Hospitality business	Mankind Pharma Limited	India	100.00%	100.00%	100.00%
10	Lifestar Pharma LLC (refer note c)	Trading of pharmaceutical and health care products	Mankind Pharma Limited	United States of America	90.00%	90.00%	90.00%
11	Mankind Pharma Pre Limited	Trading of pharmaceutical and health care products	Mankind Pharma Limited	Singapore	100.00%	100.00%	100.00%
12	Packtime Innovations Private Limited	Manufacturing of packing materials	Jaspack Industries Private Limited	India	90.00%	90.00%	90.00%
13	Mankind Socialities (partnership firm)	Manufacturing of consumer goods	Mankind Pharma Limited	India	98.00%	98.00%	98.00%
14	Applan Properties Private Limited	Investment Company	Mankind Pharma Limited	India	100.00%	100.00%	100.00%
15	Relax Pharmaceuticals Private Limited	Manufacturing of pharmaceutical and health care products	Mankind Pharma Limited	India	63.00%	63.00%	63.00%
16	Copmed Pharmaceuticals Private Limited	Manufacturing of pharmaceutical and health care products	Mankind Pharma Limited	India	63.00%	63.00%	63.00%
17	Vestesta Labs	Manufacturing of pharmaceutical and health care products	Copmed Pharmaceuticals Private Limited	India	60.48%	60.48%	60.48%
18	Mediforce Healthcare Private Limited	Manufacturing of pharmaceutical and health care products	Mankind Pharma Limited	India	63.00%	63.00%	63.00%
19	JPR Labs Private Limited	Manufacturing of bulk drugs	Mankind Pharma Limited	India	100.00%	100.00%	100.00%
20	Penta Latex LLP	Manufacturing of condoms	Mankind Pharma Limited	India	68.00%	68.00%	68.00%
21	Pharma Force Lab	Manufacturing of pharmaceutical and health care products	Applan Properties Private Limited	India	63.00%	63.00%	63.00%
22	Mediforce Research Private Limited (refer note a)	Manufacturing of pharmaceutical and health care products	Mediforce Healthcare Private Limited	India	61.74%	-	-
23	Pharmaforce Excipients Private Limited (refer note a)	Manufacturing of pharmaceutical and health care products	Applan Properties Private Limited	India	63.00%	-	-
24	Qualitek Starch private limited (refer note a)	Manufacturing of pharmaceutical and health care products	Relax Pharmaceuticals Private Limited	India	50.40%	-	-
25	Superba Warehousing LLP (partnership firm)	Leasing business	Mankind Pharma Limited	India	51.00%	51.00%	51.00%
26	North East Pharma Pack (partnership firm)	Manufacturing of packing materials	Mankind Pharma Limited	India	57.50%	57.50%	57.50%
27	Packtime Global Packaging Materials Trading LLC (refer note a & b)	Manufacturing of packing materials	Packtime Innovations Private Limited	Dubai	44.10%	-	-
28	Lifestar Pharmaceuticals (refer note a)	Trading of pharmaceutical and health care products	Mankind Pharma Limited	Nepal	85.00%	-	-





**Mankind Pharma Limited**  
**Notes forming part of the consolidated financial statements for the year ended March 31, 2020**  
**All amounts are in INR lacs unless otherwise stated**

**Note:** a Newly incorporated entities during the year are following:

Mediforce Research Private Limited  
 Pharmaforce Excipients Private Limited  
 Qualitek Starch private limited  
 Packtime Global Packaoina Materials Trading LLC  
 Lifestar Pharmaceuticals

**Non-Controlling interest amount**

6.00  
 111.00  
 100.00  
217.00

b. The management have concluded that the Group controls Packtime Global Packaging Materials Trading LLC, even though the Group holds 44.10% (which is 90% (Mankind share in Packtime innovation) of 49% held by Packtime Innovation private limited in Packtime Global Packaging Materials Trading LLC) of the voting rights.  
 c. The capital contribution in Lifestar Pharma LLC has been contributed solely (i.e. 100%) by Mankind Pharma Limited during the year. In terms of agreement, the non-controlling interest of 10% is restricted to profit sharing only subject to complete repayment of 100 % capital contribution made by Mankind Pharma Limited

**b) Details of Non-Wholly Owned Subsidiaries that have material Non Controlling Interest**

Set out below are the details of the Non Controlling interests that are material to the Group as at March 31, 2020.

Name of the Subsidiary	Principal place of business	Proportion of Ownership Interest and voting rights held by non controlling interests		
		As at March 31, 2020	As at March 31, 2019 (Restated)	As at April 01, 2018 (Restated)
Lifestar Pharma Private Limited	India	15.00%	15.00%	15.00%
Medipack Innovations Private Limited	India	49.00%	49.00%	49.00%
Relax Pharmaceuticals Private Limited	India	37.00%	37.00%	37.00%
Copinield Pharmaceuticals Private Limited	India	37.00%	37.00%	37.00%
Mediforce Healthcare Private Limited	India	37.00%	37.00%	37.00%
Pharma Force Labs	India	37.00%	37.00%	37.00%
Pentis Latex LLP	India	32.00%	32.00%	32.00%
Pharmaforce Excipients Private Limited	India	37.00%	-	-
Qualitek Starch private limited	India	49.60%	-	-
Superba Warehousing LLP (partnership firm)	India	49.00%	49.00%	49.00%
North East Pharma Pack (partnership firm)	India	42.50%	42.50%	42.50%



54 Disclosure of interest in Subsidiaries and interest of Non Controlling Interest (Contd.)

c) The table shows summarized financial information of subsidiary of the Group that have material non-controlling interests before intragroup eliminations.

Particulars (Balance sheet)	Medipack Innovations Private Limited			Lifestar Pharma Private Limited			Relax Pharmaceuticals Private Limited		
	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Current Assets	2,705.03	2,552.96	1,699.26	46,751.26	33,104.43	26,985.19	7,580.10	6,136.37	6,755.40
Non Current Assets	1,302.81	1,336.29	1,367.94	4,472.51	4,610.29	4,265.38	2,660.43	2,120.75	2,089.25
Current Liabilities	1,719.97	1,973.48	1,615.37	14,179.22	11,080.39	15,656.61	3,739.58	3,052.70	4,434.28
Non Current Liabilities	353.94	429.73	74.59	1,000.87	886.83	676.19	94.00	21.85	18.52
Equity Interest Attributable to the owners of the Company	1,933.93	1,486.04	1,377.24	36,043.68	25,747.50	14,917.77	6,406.95	5,182.57	4,391.85

Particulars (Profit or loss)	March 31, 2020	March 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Revenue	6,613.99	5,554.74	82,331.41	91,002.26	82,331.41	91,002.26	15,640.05
Other Income	120.32	113.22	939.51	1,948.16	939.51	1,948.16	178.76	99.02
Expenses	(6,141.21)	(5,509.02)	(78,750.51)	(78,750.51)	(66,430.20)	(78,750.51)	(14,112.24)	(12,954.08)
Tax expense	(143.29)	(47.51)	(3,859.98)	(3,859.98)	(5,966.93)	(3,859.98)	(485.87)	(323.82)
<b>Profit for the year</b>	<b>449.81</b>	<b>111.43</b>	<b>10,873.79</b>	<b>10,339.93</b>	<b>10,873.79</b>	<b>10,339.93</b>	<b>1,220.70</b>	<b>793.05</b>
Profit attributable to the owners of the Company	229.40	56.83	8,788.94	8,788.94	9,242.72	8,788.94	769.04	499.62
Profit attributable to the non controlling interest	220.41	54.60	1,631.07	1,550.99	1,631.07	1,631.07	451.66	293.43
<b>Profit for the year</b>	<b>449.81</b>	<b>111.43</b>	<b>10,873.79</b>	<b>10,339.93</b>	<b>10,873.79</b>	<b>10,339.93</b>	<b>1,220.70</b>	<b>793.05</b>
Items that will not be reclassified to profit and loss	(1.92)	(2.53)	(43.76)	(43.76)	(44.05)	(43.76)	3.69	(2.13)
<b>Other comprehensive income</b>	<b>(1.92)</b>	<b>(2.63)</b>	<b>(43.76)</b>	<b>(43.76)</b>	<b>(44.05)</b>	<b>(43.76)</b>	<b>3.69</b>	<b>(2.13)</b>
Other comprehensive Income attributable to the owners of the Company	(0.98)	(1.34)	(37.20)	(37.20)	(37.44)	(37.20)	2.32	(1.34)
Other comprehensive Income Profit / (Loss) attributable to the non controlling interest	(0.94)	(1.29)	(6.56)	(6.56)	(6.61)	(6.56)	1.37	(0.79)
<b>Other comprehensive income</b>	<b>(1.92)</b>	<b>(2.63)</b>	<b>(43.76)</b>	<b>(43.76)</b>	<b>(44.05)</b>	<b>(43.76)</b>	<b>3.69</b>	<b>(2.13)</b>
Total Other Comprehensive Income attributable to the owners of the Company	228.42	55.49	8,751.74	8,751.74	9,205.28	8,751.74	771.37	498.28
Total Other Comprehensive Income attributable to the non controlling interest	219.47	53.31	1,544.42	1,544.42	1,624.46	1,544.42	453.02	292.64
<b>Total Other Comprehensive Income</b>	<b>447.89</b>	<b>108.80</b>	<b>10,829.74</b>	<b>10,296.17</b>	<b>10,829.74</b>	<b>10,296.17</b>	<b>1,224.39</b>	<b>790.92</b>
Dividends paid to non controlling interest	-	-	2,217.45	-	2,217.45	-	-	629.00
Net cash flow from operating activities	249.18	(394.56)	7,816.14	7,816.14	11,103.50	7,816.14	2,038.49	1,464.35
Net cash flow from investing activities	(34.02)	(15.58)	(7,226.47)	(7,226.47)	(10,082.95)	(7,226.47)	(29.07)	(1,226.11)
Net cash flow from financing activities	(168.40)	409.26	(46.91)	(46.91)	(2,115.16)	(46.91)	(0.12)	(5.50)
<b>Net Cash inflow (outflow)</b>	<b>46.76</b>	<b>(1.08)</b>	<b>(1,094.61)</b>	<b>542.76</b>	<b>(1,094.61)</b>	<b>542.76</b>	<b>2,009.30</b>	<b>232.74</b>



54 Disclosure of interest in Subsidiaries and interest of Non Controlling Interest (Contd.)

c) The table shows summarized financial information of subsidiary of the Group that have material non-controlling interests before intragroup eliminations.

Particulars (Balance sheet)	Copped Pharmaceuticals Private Limited		Mediforce Healthcare Private Limited		Pharma Force Labs	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at April 01, 2018
Current Assets	13,638.90	9,793.93	2,488.20	1,930.63	7,682.54	7,356.05
Non Current Assets	5,018.50	4,979.35	3,079.24	2,840.04	6,051.65	4,809.72
Current Liabilities	7,842.76	6,119.06	1,848.65	1,732.43	5,148.74	5,288.26
Non Current Liabilities	123.55	40.56	71.98	57.80	315.95	104.59
Equity Interest Attributable to the owners of the Company	10,691.09	8,613.66	3,646.81	2,980.44	8,269.50	6,772.92

Particulars (Profit or loss)	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Revenue	27,972.55	23,488.91	8,505.66	8,238.03	17,178.35
Other Income	441.50	310.16	8.10	14.81	26.85	58.47
Expenses	(25,671.82)	(21,512.10)	(7,612.60)	(7,354.88)	(15,643.83)	(14,280.08)
Tax expense	(663.71)	(601.57)	(231.13)	(231.67)	(570.53)	(319.10)
<b>Profit for the year</b>	<b>2,078.52</b>	<b>1,685.40</b>	<b>670.03</b>	<b>666.29</b>	<b>990.84</b>	<b>846.99</b>
Profit attributable to the owners of the Company	1,309.47	1,061.80	422.12	419.76	624.23	533.60
Profit attributable to the non controlling interest	769.05	623.60	247.91	246.53	366.61	313.39
<b>Profit for the year</b>	<b>2,078.52</b>	<b>1,685.40</b>	<b>670.03</b>	<b>666.29</b>	<b>990.84</b>	<b>846.99</b>
Items that will not be reclassified to profit and loss	(1.09)	28.83	(3.65)	4.20	(4.68)	16.95
<b>Other comprehensive income</b>	<b>(1.09)</b>	<b>28.83</b>	<b>(3.65)</b>	<b>4.20</b>	<b>(4.68)</b>	<b>16.95</b>
Other comprehensive Income attributable to the owners of the Company	0.69	18.16	2.30	2.65	2.95	10.68
Other comprehensive Income Profit / (Loss) attributable to the non controlling interest	(0.40)	10.67	(1.35)	1.55	(1.73)	6.27
<b>Other comprehensive income</b>	<b>(1.09)</b>	<b>28.83</b>	<b>(3.65)</b>	<b>4.20</b>	<b>(4.68)</b>	<b>16.95</b>
Total Other Comprehensive Income attributable to the owners of the Company	1,308.78	1,079.96	419.82	422.41	621.28	544.28
Total Other Comprehensive Income attributable to the non controlling interest	768.65	634.26	246.56	248.08	364.88	319.66
<b>Total Other Comprehensive Income</b>	<b>2,077.43</b>	<b>1,714.23</b>	<b>666.38</b>	<b>670.49</b>	<b>986.16</b>	<b>863.94</b>
Dividends paid to non controlling interest	-	-	-	-	-	-
Net cash flow from operating activities	2,161.28	1,472.37	1,169.74	1,081.34	1,500.33	2,061.70
Net cash flow from investing activities	(1,154.55)	(1,635.77)	(451.87)	(271.29)	(1,192.07)	(785.84)
Net cash flow from financing activities	(14.83)	(9.42)	(318.19)	(757.06)	(111.12)	(636.62)
<b>Net Cash inflow (outflow)</b>	<b>991.90</b>	<b>(172.82)</b>	<b>399.68</b>	<b>59.99</b>	<b>197.14</b>	<b>639.24</b>





54 Disclosure of interest in Subsidiaries and interest of Non Controlling Interest (Contd.)

c) The table shows summarized financial information of subsidiary of the Group that have material non-controlling interests before intragroup eliminations.

Particulars (Balance sheet)	Penta Latex LLP		Superba warehousing LLP		North East Pharma Pack		
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Current Assets	809.56	1,189.93	13.50	36.65	20.40	1,283.47	706.98
Non Current Assets	7,358.77	5,097.78	1,432.85	1,448.30	1,137.80	2,520.86	2,333.00
Current Liabilities	2,385.07	1,896.58	29.19	49.50	48.28	2,028.70	816.65
Non Current Liabilities	1,855.53	1,165.79	-	-	-	1,057.38	1,332.65
Equity Interest Attributable to the owners of the Company	3,927.73	3,225.34	1,417.26	1,435.45	1,109.92	718.25	890.68
							787.82

Particulars (Profit or loss)	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Revenue	7,719.40	7,231.52	73.52	70.68	1,874.21
Other Income	29.89	8.83	0.07	-	26.91	-
Expenses	(6,472.66)	(6,628.57)	(31.75)	(33.42)	(2,074.51)	(791.88)
Tax expense	(332.04)	(184.28)	(15.90)	(14.81)	0.30	(12.13)
<b>Profit for the year</b>	<b>944.59</b>	<b>427.50</b>	<b>26.34</b>	<b>22.45</b>	<b>(173.09)</b>	<b>(245.41)</b>
Profit attributable to the owners of the Company	642.32	290.70	13.43	11.45	99.53	141.11
Profit attributable to the non controlling interest	302.27	136.80	12.91	11.00	73.56	104.30
<b>Profit for the year</b>	<b>944.59</b>	<b>427.50</b>	<b>26.34</b>	<b>22.45</b>	<b>(173.09)</b>	<b>(245.41)</b>
Items that will not be reclassified to profit and loss	(2.30)	(13.38)	-	-	0.66	-
<b>Other comprehensive income</b>	<b>(2.30)</b>	<b>(13.38)</b>	-	-	<b>0.66</b>	-
Other comprehensive Income attributable to the owners of the Company	1.56	9.10	-	-	0.38	-
Other comprehensive Income Profit / (Loss) attributable to the non controlling interest	(0.74)	(4.28)	-	-	0.28	-
<b>Other comprehensive income</b>	<b>(2.30)</b>	<b>(13.38)</b>	-	-	<b>0.66</b>	-
Total Other Comprehensive Income attributable to the owners of the Company	640.76	281.60	13.43	11.45	(99.15)	(141.11)
Total Other Comprehensive Income attributable to the non controlling interest	301.53	132.52	2.91	11.00	(73.28)	(104.30)
<b>Total Other Comprehensive Income</b>	<b>942.29</b>	<b>414.12</b>	<b>26.34</b>	<b>22.45</b>	<b>(172.43)</b>	<b>(245.41)</b>
<b>Dividends paid to non controlling interest</b>	-	-	-	-	-	-
Net cash flow from operating activities	1,928.26	1,150.70	50.16	43.79	568.88	(275.52)
Net cash flow from investing activities	(2,263.33)	(2,137.63)	(27.22)	(327.91)	(451.09)	(1,524.93)
Net cash flow from financing activities	362.32	991.88	(44.53)	303.08	(118.62)	1,740.74
<b>Net Cash inflow (outflow)</b>	<b>27.25</b>	<b>4.95</b>	<b>(21.59)</b>	<b>18.96</b>	<b>(0.83)</b>	<b>(59.70)</b>



54 Disclosure of interest in Subsidiaries and Interest of Non Controlling Interest (Contd.)

d) Joint Ventures and Associates

Set out below are the associates and joint ventures of the group as at March 31, 2020, March 31, 2019 and April 01, 2018 which, in the opinion of the management are not material to the Group. Percentage of ownership interest as exercised by the Group is as follows:-

Joint venture	Principal activities	Country of Incorporation	Ownership interest		
			As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Superba Bulldwell	Leasing business	India	50.00%	50.00%	50.00%
Superba Developers	Leasing business	India	60.00%	60.00%	60.00%
Superba Bulldwell (South)	Leasing business	India	70.00%	70.00%	70.00%

Associate	Principal activities	Country of Incorporation	Ownership interest		
			As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
ANM Pharma Private Limited	Manufacturing of bulk drugs	India	34.00%	34.00%	34.00%
Om Sal Pharma Pack (partnership firm)	Manufacturing of packing materials	India	20.00%	20.00%	20.00%
Sirmour Remedies Private Limited	Trading of pharmaceutical and health care products	India	40.00%	40.00%	40.00%
A.S.Packers	Manufacturing of packing materials	India	50.00%	50.00%	-
J.K. Print packs	Manufacturing of packing materials	India	33.00%	33.00%	-
N.S.Industries	Manufacturing of packing materials	India	48.00%	48.00%	-

e) Non-controlling interests

Set out below are the details of Non-controlling Interest as at March 31, 2020:

Particulars	As at March 31, 2020	As at March 31, 2019 (Restated)
Lifestar Pharma Private Limited	5,356.66	3,814.23
Magnet Labs Private Limited	614.32	479.34
Mudpuck Innovations Private Limited	909.48	728.10
Lifestar Pharma LLC	-	-
Packtime Innovations Private Limited	(330.18)	(79.21)
Mankind Specialities (partnership firm)	(6.24)	(4.28)
Relax Pharmaceuticals Private Limited	2,241.61	1,917.56
Copmed Pharmaceuticals Private Limited	3,709.24	3,217.84
Vetbesta Labs	22.20	16.31
Modiforce Healthcare Private Limited	1,261.40	1,105.07
Penta Latex LLP	924.72	853.69
Pharma Force Lab	2,925.48	2,842.65
Mediforce Research Private Limited	2.45	-
Pharmaforce Excipients Private Limited	108.53	-
Qualitek Starch private limited	88.46	-
Superba Warehousing LLP (partnership firm)	694.16	691.00
North East Pharma Pack (partnership firm)	126.01	199.28
Packtime Global Packaging Materials Trading LLC	(22.49)	-
Lifestar Pharmaceuticals	-	-
<b>Total Non Controlling interest</b>	<b>18,626.11</b>	<b>15,862.26</b>



**56 Leases**

(i) The Group's lease asset primarily consist of leases for Land, office building, warehouses and related facilities having the various lease terms. Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Group recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognised.

(ii) The following is the summary of practical expedients elected on Initial application:

- (a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date  
 (b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of Initial application

(c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of Initial application

(d) Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of Initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17.

(e) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

(iii) Following is carrying value of right of use assets recognised on date of transition and the movements thereof during the year ended March 31, 2020:

Particulars	Right of Use Asset		Total
	Leasehold Land	Leasehold Building	
<b>Balance as at April 1, 2019</b>	-	-	-
Transition Impact on account of adoption of Ind AS 116 "Leases" (refer Note 4)	31.90	-	31.90
Reclassified from property, plant and equipment on account of adoption of Ind AS 116 "Leases" (refer Note 4)	4,919.79	-	4,919.79
<b>Total Right of Use on the date of transition</b>	<b>4,951.69</b>	<b>-</b>	<b>4,951.69</b>
Additions during the year	-	446.43	446.43
Deletion during the year	-	-	-
Depreciation of Right of use assets (refer note 33)	(61.44)	(83.90)	(145.34)
<b>Balance as at March 31, 2020</b>	<b>4,890.25</b>	<b>362.53</b>	<b>5,252.78</b>

(iv) The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2020:

Particulars	(Rs in lacs) Amount
Transition Impact on account of adoption of Ind AS 116 "Leases"	31.90
Additions during the year	446.43
Finance cost accrued during the year	25.38
Deletions	-
Payment of lease liabilities	(106.88)
<b>Balance as at March 31, 2020</b>	<b>396.83</b>

Current maturities of Lease liability (refer note 26)

282.82

Non-Current Lease liability (refer note 26)

114.01

**396.83**

(v) The adoption of the new standard has also resulted in decrease in profit before tax and profit for the year by Rs 25.30 lacs (Increase in Depreciation expense and finance cost by Rs 83.90 lacs and Rs 23.07 lacs respectively with corresponding decrease in other expense by Rs 81.67 lacs). The effect of this adoption is insignificant on earnings per share. Ind AS 116 has also resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments by Rs 81.67 lacs each. Total Deferred tax expense and deferred tax liabilities are decreased by Rs 2.24 lacs.

(vi) The maturity analysis of lease liabilities are as follows:

**Maturity of lease liabilities**

Set out below are the undiscounted potential future rental payments relating to periods:

Lease obligations	March 31, 2020	March 31, 2019	April 01, 2018
Not later than one year	140.66	-	-
Later than one year and not later than five years	279.66	-	-
Later than five years	83.10	-	-
<b>Interest expense</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>	<b>April 01, 2018</b>
Not later than one year	27.40	-	-
Later than one year and not later than five years	23.97	-	-
Later than five years	70.97	-	-

(vii) The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 8.5%

(viii) Rental expense recorded for short-term leases are as follows:

**The following are the amounts recognised in profit or loss:**

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation expense of right-of-use assets	145.34	-
Interest expense on lease liabilities	25.38	-
Expense relating to short-term leases	1,735.12	-
Expense relating to low value leases	-	-
	<b>1,905.84</b>	<b>-</b>

(ix) The difference between the lease obligation recorded, as of March 31, 2019, under Ind AS 17 and the value of the lease liability as of April 1, 2019, is on account of use of practical hindsight in determining the lease term, where the contract contained options to extend or terminate the lease in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.





- 57 The Group has established a comprehensive system of maintenance of Information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income- tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group is in the process of updating the documentation for the transactions covered under transfer pricing regulations entered into with the associated enterprises during the year and expects such records to be in existence latest by such date as required under the law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any Impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.
- 58 World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on 24 March 2020. On account of this, the Group has, assessed the recoverability of receivables, and factored assumptions using the various internal and external information up to the date of approval of these financial statements. On the basis of evaluation and current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets and does not anticipate any Impairment to these financial and non-financial assets other than those already provided in the books of accounts. The Group will continue to closely monitor any material changes to future economic conditions.
- 59 The figures have been rounded off to the nearest lacs of rupees upto two decimal places. The figure 0.00 wherever stated represents value less than Rs. 500/-.

As per our report of even date

**For S.R. Batliboi & Co. LLP**  
Chartered Accountants  
Firm Reg. no. 301003E/E300005

  
**per Vishal Sharma**  
Partner  
Membership No. 096766



**For Goel Gaurav & Co.**  
Chartered Accountants  
Firm Reg. no. 022467C


  
**Gaurav Goel**  
Proprietor  
Membership No. 528323



Place: New Delhi  
Date: 20 August 2020


**For and on behalf of the Board of Directors**


  
**Rajeev Juneja**  
Chief Executive Officer and Whole-time Director  
DIN - 00283481

  
**Pradeep Chugh**  
Company Secretary  
Membership No. ACS 18711

Place: New Delhi  
Date: 20 August 2020

  
**Sheetal Arora**  
Managing Director  
DIN - 00704292

  
**Arjun Juneja**  
Whole-time director  
DIN - 00704349

  
**Ashutosh Dhawan**  
Chief Financial Officer



