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Chartered Accountants
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Goel Gaurav & Co
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INDEPENDENT AUDITOR'S REPORT

To the Members of Mankind Pharma Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, 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 state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone 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 Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Other Information

The 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 standalone Ind AS financial statements and our auditor's report thereon.



Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the 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.

Responsibility of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone 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 standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matter

- a) The standalone Ind AS financial statements of the Company for the year ended March 31, 2019, included in these Standalone 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.

The information as at and for the year ended March 31, 2019, has been reclassified from the financial statements previously presented to conform to the presentation of the financial statements for the year ended March 31, 2020.



- b) We did not audit the financial statements and other financial information as regard Company's share of net profit after tax of partnership firms amounting to Rs.377.91 lakhs included in the accompanying standalone Ind AS financial statements of the Company whose financial statements and other financial information have been audited by the other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the Company's share of net profit after tax included in respect of these partnership firms investment is based solely on the report of such other auditors.

Our opinion above on the standalone Ind AS financial statements and our report on the other legal and regulatory requirements below, is not modified in respect of above matters in respect of reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

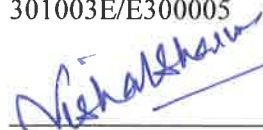
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the 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 as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its 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:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 34 to the standalone Ind AS financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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





per Vishal Sharma
Partner
Membership Number: 096766
UDIN: 20096766AAAACI4604
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: 20528323AAAACO3714
Place of Signature: New Delhi
Date: August 20, 2020

Annexure 1 referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date

Re: Mankind Pharma Limited (the Company)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management and audit procedures performed by us, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees, given have been complied with by the company. The Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of section 185 of the Companies Act 2013 apply and the Company has not granted any security in terms of the Section 185 and 186 of the Act and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of Drugs and pharmaceutical products and related services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.



(vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable except for below:

Name of the Statute	Nature of the Dues	Amount (Rs.in Lacs)	Period to which the amount relates	Due Date	Date of Payment
The Employees Provident Funds and Miscellaneous provision Act, 1952	Payment of Statutory Provident Fund	75.61	March 2019	April 2020	Not yet paid

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess which have not been deposited on account of any dispute, are as follows:

Name of Statute	Nature of dues	Amount of Demand without netting of amount paid under protest	Amount paid under protest	Period to which amount relates	Forum where dispute is pending
		(Rs. in Lacs)	(Rs. in Lacs)	(Financial Year)	
Income Tax Act, 1961	Disallowances and additions to taxable income.	1,213.91	825.30	2010-11 to 2014-15 and 2016-17	Commissioner of Income Tax (Appeal), New Delhi
Income Tax Act, 1961	Disallowances and additions to taxable income.	353.50	134.47	2015-16	Income Tax Assessing Officer



Name of Statute	Nature of dues	Amount of Demand without netting of amount paid under protest	Amount paid under protest	Period to which amount relates	Forum where dispute is pending
		(Rs. in Lacs)	(Rs. in Lacs)	(Financial Year)	
Assam Value Added Tax Act, 2003	Sales tax demand on various matter	20.71	-	2010-11 to 2017-18	Assistant Commissioner of Taxes
BIHAR VAT ACT, 2005	Sales tax demand on various matter	5.02	-	2014-15	Deputy Commissioner of Commercial Taxes

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing dues to banks. The Company did not have any outstanding loan or borrowing dues in respect of a financial institution, or government or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.



- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Vishal Sharma



per **Vishal Sharma**
Partner
Membership Number: 096766
UDIN: 20096766AAAACI4604
Place of Signature: New Delhi
Date: August 20, 2020

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

Gaurav Goel



Gaurav Goel
Proprietor
Membership Number: 528323
UDIN: 20528323AAAACO3714
Place of Signature: New Delhi
Date: August 20, 2020

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE 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")

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

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone 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 as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone 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 standalone 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 standalone 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 is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.



Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone 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 standalone 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 Standalone Financial Statements

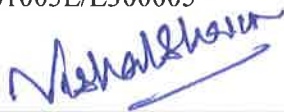
Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone 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 Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



per **Vishal Sharma**
Partner

Membership Number: 096766
UDIN: 20096766AAAACI4604
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: 20528323AAAACO3714
Place of Signature: New Delhi
Date: August 20, 2020

Mankind Pharma Limited
Standalone Balance Sheet as at 31 March 2020
All amounts are in INR lacs unless otherwise stated

Particulars	Notes	As at	
		31 March 2020	31 March 2019
Assets			
Non-current assets			
Property, plant and equipment	3	91,735.03	76,215.56
Capital work-in-progress	3	14,392.81	21,004.15
Investment properties	4	551.25	1,039.10
Intangible assets	5	2,190.03	536.39
Intangible assets under development	5	369.46	107.06
Investment in subsidiaries, associates and joint ventures	6	138,950.83	138,384.62
Financial assets			
(i) Investments	7	0.25	0.25
(ii) Other financial assets	8	1,234.79	1,148.85
Income tax assets (net)	9	4,638.52	5,749.09
Deferred tax assets (net)	21	2,104.95	-
Other non-current assets	10	2,082.56	2,642.65
Total non-current assets		258,250.48	246,827.72
Current assets			
Inventories	11	53,347.67	48,150.08
Financial assets			
(i) Investments	7	39,416.25	31,416.57
(ii) Trade receivables	13	41,862.03	13,926.86
(iii) Cash and cash equivalents	14	7,749.78	7,247.91
(iv) Bank balances other than (iii) above	15	12,045.02	-
(v) Loans	16	21,188.20	25,133.93
(vi) Others	8	213.27	176.04
Other current assets	10	18,767.74	11,896.47
		194,589.96	137,947.86
Assets held for sale	12	270.20	281.37
Total current assets		194,860.16	138,229.23
Total assets		453,110.64	385,056.95
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	4,005.88	4,005.88
Other equity	18	361,139.42	302,475.81
Total equity		365,145.30	306,481.69
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Others	24	255.69	-
Provisions	20	4,641.37	3,242.86
Deferred tax liabilities (net)	21	-	1,799.58
Other non-current liabilities	22	1,491.68	1,017.98
Total non-current liabilities		6,388.74	6,060.42
Current liabilities			
Financial liabilities			
(i) Borrowings	19	-	19,000.00
(ii) Trade payables	23		
(a) total outstanding dues of micro and small enterprises		4,325.27	5,013.20
(b) total outstanding dues other than micro and small enterprises		44,397.74	33,688.04
(iii) Other financial liabilities	24	6,011.39	3,756.28
Provisions	20	16,922.55	7,732.41
Income tax liabilities (net)	9	5,657.58	-
Other current liabilities	22	4,262.07	3,324.91
Total current liabilities		81,576.60	72,514.84
Total liabilities		87,965.34	78,575.26
Total equity and liabilities		453,110.64	385,056.95
Summary of significant accounting policies	2		
Commitments and contingencies	34		
Other notes to accounts	35 - 54		

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

As per our report of even date

For S.R. Batiiboi & 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

Rajeev Juneja
 Rajeev 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

Arjun Juneja
 Arjun Juneja
 Whole-Time Director
 DIN - 00704349

Ashutosh Dhawan
 Ashutosh Dhawan
 Chief Financial Officer



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

Particulars	Notes	Year ended 31 March 2020	Year ended 31 March 2019
I Income			
Revenue from operations	25	479,441.45	382,905.88
Other income	26	9,384.88	6,433.45
Total Income (I)		488,826.33	389,339.33
II Expenses			
Cost of raw material and components consumed	27	43,487.13	25,451.87
Purchases of stock-in-trade	27	118,255.19	111,585.23
Changes in Inventories of finished goods, work in progress and stock in trade	28	(4,450.76)	2,207.75
Employee benefits expense	29	99,146.93	78,502.00
Finance costs	30	1,061.60	3,904.30
Depreciation and amortization expense	31	6,176.62	3,839.22
Impairment of non-current assets	32 (b)	9,057.99	201.70
Impairment losses on financial assets	32 (c)	3,100.00	-
Other expenses	32 (a)	86,499.31	94,517.76
Total expenses (II)		362,334.01	320,209.83
III Profit before tax (I-II)		126,492.32	69,129.50
IV Tax Expense:			
Current tax	33	33,657.69	18,481.32
Deferred tax	33	(3,511.06)	(1,019.97)
Adjustment of tax relating to earlier periods	33	522.95	264.62
Total tax expense (IV)		30,669.58	17,725.97
V Profit for the year (III- IV)		95,822.74	51,403.53
VI Other comprehensive Income / (loss)			
(i) Item that will not be reclassified to profit or loss			
- Remeasurement gain / (loss) of the defined benefit plan		(1,126.00)	(252.44)
(ii) Income tax relating to item that will not be reclassified to profit or loss			
- Remeasurement gain / (loss) of the defined benefit plan		393.47	88.21
Other comprehensive Income / (loss) for the year		(732.53)	(164.23)
VII Total comprehensive Income for the year (V+VI)		95,090.21	51,239.30
Earnings per equity share (EPS) (face value of INR 1 each) (refer note 46):			
Basic EPS (in INR)		23.92	12.83
Diluted EPS (in INR)		23.92	12.83
Summary of significant accounting policies	2		
Commitments and contingencies	34		
Other notes to accounts	35 - 54		

The accompanying notes are forming an integral part of these 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

Rajeev Juneja
Rajeev Juneja
Chief Executive Officer
and Whole-Time Director
DIN - 0028348

Sheetal Arora
Sheetal Arora
Managing Director
DIN - 00704292

Arjun Juneja
Arjun 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
Standalone Statement of Cash Flows for the year ended 31 March 2020
All amounts are in INR lacs unless otherwise stated

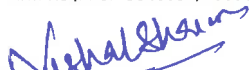
Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A. Cash flow from Operating activities		
Profit before tax	126,492.32	69,129.50
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and amortisation expense	6,176.62	3,839.24
Net foreign exchange differences	(123.93)	(46.50)
Loss/ (gain) on disposal of property, plant and equipment	62.05	100.70
Loss/ (gain) on sale of Investment property	(901.58)	(69.10)
Impairment allowance for non-current assets	9,057.99	-
Impairment allowance for financial assets	3,100.00	-
Finance income	(1,696.50)	(2,017.79)
Finance costs	382.93	3,904.30
Unrealised gain on current investments measured at FVTPL	(992.76)	(2,279.47)
Realised gain on current investments measured at FVTPL	(636.61)	-
Dividend income from financial assets measured at FVTPL	(294.74)	(0.06)
Dividend income from subsidiary	(0.04)	-
Deferred government grant income	-	(143.90)
Rent (amortisation of operating lease)	-	20.79
Trade and other receivable balances written off	35.79	81.35
Allowance for expected credit loss	75.05	-
Allowance for doubtful loans	-	316.10
Impairment allowance for doubtful advances	401.74	17.47
Share in profit/ loss of partnership firms (net)	(922.77)	(516.62)
<i>Working capital adjustments:</i>		
(Increase)/ Decrease in trade receivables	(27,922.08)	9,238.94
(Increase)/ Decrease in inventories	(5,197.59)	(1,268.94)
(Increase)/ Decrease in financial asset - others	(123.17)	(95.35)
(Increase)/ Decrease in other asset	(6,521.25)	(869.19)
Increase/ (Decrease) in provisions	9,462.65	4,064.53
Increase/ (Decrease) in trade payable	10,021.77	(5,444.68)
Increase/ (Decrease) in other financial liability	1,781.40	(1,316.10)
Increase/ (Decrease) in other liability	1,656.14	1,600.48
Cash generated from operations	123,373.43	78,245.70
Income tax paid	(27,412.49)	(24,593.72)
Net cash inflow from operating activities	95,960.94	53,651.98
B. Cash flow from Investing activities		
Proceeds from sale of property, plant and equipment	126.79	(100.70)
Purchase of property, plant and equipment	(16,549.55)	(16,464.48)
Investment in subsidiaries, associates and joint venture entities (net)	(9,525.95)	(35,659.87)
Amount invested in/withdrawn from partnership firms (net)	570.46	(5,626.31)
Proceeds from sale of investment properties	1,388.70	69.10
Purchase of investment in financial instruments	(41,195.91)	(400.00)
Proceeds from sale of financial instruments	34,825.60	14,853.00
Dividend received	794.78	0.06
Loan to related parties	705.62	10,643.40
Loan to other parties	140.11	109.39
Bank deposit not considered as cash and cash equivalents	(12,045.02)	-
Interest received (finance income)	1,696.50	2,017.79
Net cash outflow from investing activities	(39,567.87)	(30,557.72)
C. Cash flow from Financing activities		
Interest paid	(359.86)	(4,088.49)
Proceeds from borrowings	19,400.00	29,950.00
Repayment of borrowings	(38,400.00)	(46,950.00)
Payment of principal portion of lease liabilities	(81.67)	-
Payment of interest on lease liabilities	(23.07)	-
Dividends paid	(30,244.43)	(2,403.53)
Dividend distribution tax	(6,182.17)	(489.36)
Net cash outflow from financing activities	(55,891.20)	(23,981.38)
Net increase in cash and cash equivalents (A+B+C)	501.87	(887.12)
Cash and cash equivalents at the beginning of the year	7,247.91	8,135.03
Cash and cash equivalents at the end of the year	7,749.78	7,247.91
Components of cash and cash equivalents		
Balances with banks		
- On current account	7,023.61	7,235.70
Cash on hand	10.51	12.21
Cheques on hand	715.66	-
	7,749.78	7,247.91

Summary of significant accounting policies 2
 Commitments and contingencies 34
 Other notes to accounts 35 - 54

The accompanying notes are forming an integral part of these 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 - 00284481

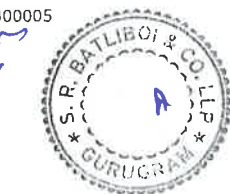

Sheetal Arora
 Managing Director
 DIN - 00704292


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



a. Equity share capital

Particulars	Note	Amount
Equity shares of INR 1 each issued, subscribed and fully paid		4,005.88
As at 01 April 2018		
Changes in equity share capital during the year		
As at 31 March 2019	17	4,005.88
Changes in equity share capital during the year		
As at 31 March 2020	17	4,005.88

b. Other equity

Particulars	Reserves and Surplus				Total
	Capital Reserve	General reserve	Security premium	Retained earnings	
Balance as at 01 April 2018	-	23,774.24	4,211.74	267,703.12	295,689.10
Profit for the year	-	-	-	51,403.53	51,403.53
Other comprehensive income for the year, net of income tax	-	-	-	(164.23)	(164.23)
Total comprehensive income for the year	-	-	-	51,239.30	51,239.30
Transactions with owners in their capacity as owners:					
Less : Loss on account of demerger (refer note 18.4)	(41,559.70)	-	-	-	(41,559.70)
Less : Dividend on equity shares	-	-	-	(2,403.53)	(2,403.53)
Less : Dividend distribution tax	-	-	-	(489.36)	(489.36)
Balance as at 31 March 2019	(41,559.70)	23,774.24	4,211.74	316,049.53	302,475.81
Profit for the year	-	-	-	95,822.74	95,822.74
Other comprehensive income for the year, net of income tax	-	-	-	(732.53)	(732.53)
Total comprehensive income for the year	-	-	-	95,090.21	95,090.21
Transactions with owners in their capacity as owners:					
Less : Dividend on equity shares (refer note 45)	-	-	-	(30,244.43)	(30,244.43)
Less : Dividend distribution tax	-	-	-	(6,182.17)	(6,182.17)
Balance as at 31 March 2020	(41,559.70)	23,774.24	4,211.74	374,713.14	361,139.42


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

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 34
 35 - 54

The accompanying notes are forming an integral part of these 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 - 00283481


 Pradeep Chugh
 Company Secretary
 Membership No. ACS 18711

Place: New Delhi
 Date: 20 August 2020


 Sheetal Arora
 Managing Director
 DIN - 00704292


 Ashutosh Dhanwan
 Chief Financial Officer

Place: New Delhi
 Date: 20 August 2020


 Arjun Juneja
 Whole-time Director
 DIN - 00704349



1 CORPORATE INFORMATION

Mankind Pharma Limited ("Mankind" or "the Company") is a public limited company domiciled in India and has its registered office at 208, Okhla Phase III, Delhi. The Company is principally engaged in the manufacturing and trading of pharmaceutical and health care products. The Company has three manufacturing facilities at Paonta Sahib in the state of Himachal Pradesh, one manufacturing facility in state of Sikkim and three in-house research and development centres at IMT Manesar, Gurgaon, Haryana to carry out research in pharmaceutical products.

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

2 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these Indian Accounting Standards (Ind-AS) financial statements. These policies have been consistently applied to all the years except where newly issued accounting standard is initially adopted.

2.01 Basis of preparation of Standalone Financial Statements

These standalone financial statements of the Company 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 standalone 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
- iv) Share based payments

2.02 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when - 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 Company has identified twelve months as its operating cycle.

2.03 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 Company 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 Company 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 machinerles and mobile phones , useful llves 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.

2.04 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 Company, 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 Company and the cost of the item can be measured reliably. When significant parts of investment property are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. All other repair and maintenance cost are expensed when incurred.

Though the Company 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.

2.05 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 (in years)
Computer Software	3
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 Company 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

2.06 Impairment of non- financial assets

The Company 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 Company 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 Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company 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 Company 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 Company 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.

2.07 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 Company 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 Company'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 Company has applied the practical expedient, the Company 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 Company 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 Company'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 Company. 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 Company 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 Company 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 AS 103 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 Company 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 Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company'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 Company 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 Company 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 Company 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 Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of 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 Company 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 Company that are not designated as hedging instruments in hedge relationship as defined by Ind AS 109. The separated embedded derivative 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 Company 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 Company 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 represent liabilities for goods and services provided to the Company 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 issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are 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

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

2.08 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 Company'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.

2.09 Investment in Subsidiaries, associates and joint venture

The investment in subsidiaries, associates and joint venture are carried at cost as per IND AS 27. The Company regardless of the nature of its involvement with an entity (the investee), determines whether it is a parent by assessing whether it controls the investee. The Company controls an investee when it 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. Thus, the Company controls an investee if and only if it has all the following:

- (a) power over the investee;
- (b) exposure, or rights, to variable returns from its involvement with the investee and
- (c) the ability to use its power over the investee to affect the amount of the returns.

Investments are accounted in accordance with IND AS 105 when they are classified as held for sale. On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

2.10 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.

2.11 Non-current assets held for sale

The Company 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 asset 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 Company 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 sell 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.

2.12 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 items 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 subsidiaries, 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 subsidiaries, 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 company 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 company 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 company 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 Company 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 Company 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.

2.13 Revenue from contract with customers

The Company 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 obligations 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 Company 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 Company 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 Company allocates a portion of the transaction price to goods based on its relative standalone prices and also considers the following:-

(i) Variable consideration

The Company 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 Company 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 Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. With respect to established products, the Company 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 Company's business and markets. With respect to new products introduced by the Company, such products have historically been either extensions of an existing line of product where the Company has historical experience or in therapeutic categories where established products exist and are sold either by the Company or the Company's competitors.

(iii) Significant Financing Components

In respect of short-term advances from its customers, using the practical expedient in Ind AS 115, the Company 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 Company 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.

(c) Contract balances

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. A receivable represents the Company'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 Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

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).

Other Operating Revenues

(a) 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.



(b) 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 Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

(c) 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.

2.14 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 up to 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 Company 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 Company.

The Gratuity Plan, which is defined benefit plan, is managed by Trust with its investments maintained with Life insurance Corporation of India. 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 Company 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 Company 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 Company has no obligation, other than the contribution payable to the provident fund. The Company 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.

2.15 Leases

The Company 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.

Company as a lessee

The Company's lease asset classes primarily comprise of lease for land and building. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company 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 Company 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 Company 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 Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including 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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company 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 Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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

The Company 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.

Company as a lessor

Leases for which the Company is a lessor is classified as finance or operating lease. Leases in which the Company 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.

2.16 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 recognized at nominal value and presented by deducting the same from carrying amount of related asset and the grant is then recognized in profit or loss over the useful life of the depreciable asset by way of a reduced depreciation charge.

2.17 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.

The operating segments have been identified on the basis of the nature of products/services. Further:

- 1 Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter - segment
- 2 Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.
- 3 Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.
- 4 Segment results includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Company.
- 5 Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.
- 6 Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated business.

2.18 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.

2.19 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.

2.20 Exceptional Items

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Company's financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments in subsidiaries, 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.



2.21 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.

2.22 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 Company's financial statements are presented in Indian rupee (INR) which is also the Company'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).

2.23 Provisions and Contingent Liabilities

Provisions

A provision is recognized when the Company 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 Company 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 Company 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.

2.24 Dividend Distributions

The Company 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 Company. 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.

2.25 Fair value measurement

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

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

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 Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and 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

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

2.26 Business Combinations

(i) Business combinations 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 Company 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. 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.

(ii) 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:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods should be 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, if business combination had occurred after that date, the prior period information shall be restated only from that date.
- 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 revenue reserve.
- 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.
- 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 revenue reserves.

2.27 Changes in accounting policies and disclosures

New and amended standards

The Company 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 standalone financial statements of the Company.

(i) Ind AS 116 Leases

The Company as a lessee

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

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Refer note 44 for detailed impact on adoption of Ind AS 116 Leases on the financial statements of the Company.

(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:

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

The Company 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 Company 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 Company 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 standalone financial statements of the Company.

(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 standalone financial statements of the Company.



(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 standalone financial statements of the Company 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 standalone 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 standalone financial statements of the Company 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 standalone financial statements of the company 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 Company's current practice is in line with these amendments, they had no impact on the standalone financial statements of the Company.

(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 Company's current practice is in line with these amendments, they had no impact on the standalone financial statements of the Company.

2.28 Significant accounting judgments, estimates and assumptions

The preparation of the standalone 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 Company'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 Company 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 Company has several lease contracts that include extension and termination options. The Company 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 Company 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 Company based its assumptions and estimates on parameters available when the standalone 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 Company. 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 Company 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 37.

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 Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company'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 Company 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 Company 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 Company 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 Company's historical observed default rates. The Company 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 Company'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 Company's trade receivables and contract assets is disclosed in Note 20.

h) Property, Plant and Equipment

Property, Plant and Equipment represent significant portion of the asset base of the Company 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 Company'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.

2.29 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 standalone financial statements for the year ended 31 March 2020
All amounts are in INR lacs unless otherwise stated

4 Investment properties

Non-Current Carrying amounts of:	As at		As at	
	31 March 2020		31 March 2019	
Freehold land		378.66		378.66
Building		172.59		660.44
		551.25		1,039.10
	Freehold land	Building	Total	
Gross carrying value :				
Balance as at 01 April 2018	442.91	723.46	1,166.37	
Additions	-	-	-	
Disposals/ adjustments	(64.25)	(28.25)	(92.50)	
Balance as at 31 March 2019	378.66	695.21	1,073.87	
Additions	-	-	-	
Disposals/ adjustments	-	(522.62)	(522.62)	
Balance as at 31 March 2020	378.66	172.59	551.25	
Accumulated depreciation :				
Balance as at 01 April 2018	-	26.06	26.06	
Depreciation charge	-	8.71	8.71	
Balance as at 31 March 2019	-	34.77	34.77	
Depreciation charge	-	0.73	0.73	
Disposals/ adjustments	-	(35.50)	(35.50)	
Balance as at 31 March 2020	-	-	-	
Net carrying value :				
Balance as at 31 March 2019	378.66	660.44	1,039.10	
Balance as at 31 March 2020	378.66	172.59	551.25	

Information regarding income & expenditure of investment property

	For the year		For the year	
	31 March 2020		31 March 2019	
a) Rental Income from investment properties (refer note 26)		17.92		39.18
b) Less : Direct operating expenses - generating rental income		-		(5.21)
c) Less: Depreciation charge		(0.73)		(8.71)
d) Profit arising on the same		17.19		25.26
	As at		As at	
	31 March 2020		31 March 2019	
e) Fair value of investment property		589.45		612.58

Note :

Investment property represents, land and building under construction at Distt - Tehri Garhwal. The said premise is given on lease.

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 Company 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 Company 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 Company 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 standalone financial statements for the year ended 31 March 2020

All amounts are in INR lacs unless otherwise stated

			<u>As at</u> <u>31 March 2020</u>	<u>As at</u> <u>31 March 2019</u>
5 Intangible assets				
Carrying amounts of :				
Computer software			335.39	366.13
Other Intangible assets			1,854.65	170.26
			2,190.04	536.39
	<u>Computer software</u>	<u>Other intangible assets</u>	<u>Total</u>	<u>Intangible assets under development</u>
Gross carrying value:				
Balance as at 01 April 2018	1,230.23	435.19	1,665.42	-
Additions	189.38	-	189.38	107.06
Disposals	-	-	-	-
Balance as at 31 March 2019	1,419.61	435.19	1,854.80	107.06
Additions	243.73	2,241.58	2,485.31	262.40
Disposals	(209.70)	-	(209.70)	-
Balance as at 31 March 2020	1,453.64	2,676.77	4,130.41	369.46
Accumulated amortisation:				
Balance as at 01 April 2018	816.59	206.02	1,022.61	-
Amortisation charge	236.89	58.91	295.80	-
Disposals	-	-	-	-
Balance as at 31 March 2019	1,053.48	264.93	1,318.41	-
Amortisation charge	230.42	557.19	787.61	-
Disposals	(165.65)	-	(165.65)	-
Balance as at 31 March 2020	1,118.25	822.12	1,940.37	-
Net carrying value:				
Balance as at 31 March 2019	366.13	170.26	536.39	107.06
Balance as at 31 March 2020	335.39	1,854.65	2,190.04	369.46

Note:

Other intangible assets Includes a rights available with the Company to market licensed medicines in designated territory as per arrangements with respective customers. These are amortised as per the terms of the contract.



6 Investment in subsidiaries, associates and joint ventures

	Face Value per share	As at 31 March 2020		As at 31 March 2019	
		Units/ shares	Amount	Units/ shares	Amount
Non- Current					
(a) Investment in unquoted equity instruments - at cost, fully paid up					
Subsidiaries					
Shree Jee Laboratory Private Limited	INR 10	140,498,730	14,541.05	131,248,730	13,616.05
Lifestar Pharma Private Limited	INR 10	42,500	4.25	42,500	4.25
Magnet Labs Private Limited	INR 10	36,800	348.75	36,800	348.75
Lifestar Pharma LLC (see note "a" below)	-	90,000	12,517.27	90,000	11,816.77
Mankind Pharma Pte Limited	SGD 1	41,000	19.78	41,000	19.78
Medipack Innovations Private Limited	INR 100	306,000	306.00	306,000	306.00
Broadway Hospitality Services Private Limited	INR 10	50,000	551.38	50,000	551.38
Pavi Buildwell Private Limited	INR 100	1,000	1.00	1,000	1.00
Prolijune Lifesciences Private Limited	INR 10	100,000	17.53	100,000	17.53
Jaspack Industries Private Limited	INR 10	9,010,000	901.00	9,010,000	901.00
Mahananda Spa and Resorts Private Limited	INR 10	21,656,000	4,747.11	21,656,000	4,747.11
Less : Provision for the diminution in the value of Investment			(2,076.60)		
Applan Properties Private Limited	INR 10	10,000,000	1,000.00	10,000,000	1,000.00
Relax Pharmaceuticals Private Limited	INR 100	18,900	11,321.10	18,900	11,321.10
Copmed Pharmaceuticals Private Limited	INR 100	60,480	19,247.16	60,480	19,247.16
Mediforce Healthcare Private Limited	INR 10	718,000	5,779.90	718,000	5,779.90
JPR Labs Private Limited	INR 10	8,275,999	962.65	8,275,999	962.65
Lifestar Pharmaceuticals (see note "g" below)					
(b) Investment in unquoted equity instruments - at cost, fully paid up					
Associates					
ANM Pharma Private Limited	INR 10	785,606	78.56	785,606	78.56
Sirmour Remedies Private Limited	INR 100	40,000	4,383.20	40,000	4,383.20
Less : Provision for the diminution in the value of Investment			(2,500.00)		
(c) Investment in preference shares (unquoted) - at cost					
Subsidiaries					
Jaspack Industries Private Limited, 0.10% Optionally Convertible Non-Cumulative Redeemable Preference Shares (see note "b" below)	INR 10	147,010,000	14,701.00	132,860,000	13,286.00
Mahananda Resorts & Spa Pvt. Ltd. Private Limited, 0.01% Optionally Convertible Non-Cumulative Redeemable Preference Shares (see note "c" below)	INR 10	127,836,135	12,891.35	77,836,135	7,891.35
Prolijune Life Sciences Private Limited, 0.01% Optionally Convertible Non-Cumulative Redeemable Preference Shares (see note "d" below)	INR 10	391,457	1,864.94	391,457	1,864.94
JPR Labs Private Limited, 0.01% Optionally Convertible Non-Cumulative Redeemable Preference Shares (see note "e" below)	INR 10	2,218,860	5,214.32	2,218,860	5,214.32
Applan Properties Private Limited, 0.01% Optionally Convertible Non-Cumulative Redeemable Preference Shares (see note "f" below)	INR 10	184,740,700	18,474.07	184,740,700	18,474.07
Less : Provision for the diminution in the value of Investment			(2,450.00)		
(d) Investment in partnership firms (see note "h" below)					
Subsidiaries					
Mankind Specialties (partnership firm)			538.48		634.80
Less : Provision for the diminution in the value of Investment			(201.70)		(201.70)
North East Pharma Pack (partnership firm)			336.78		433.10
			592.29		691.44
Joint controlled entities					
Superba Buildwell (partnership firm)			1,389.72		1,409.99
Superba Developers (partnership firm)			1,360.29		1,361.32
Superba Buildwell (South) (partnership firm)			2,762.60		2,759.83
Associates					
Om Sai Pharma Pack (partnership firm)			2,829.99		2,733.52
Less : Provision for the diminution in the value of Investment			(800.00)		
(e) Investment in limited liability partnership firms (see note "i" below)					
Subsidiaries					
Penta Latex LLP			6,909.59		6,418.18
Superba Warehousing LLP			722.80		744.37
Total			138,950.83		138,384.62
			As at 31 March 2020		As at 31 March 2019
Aggregate amount of unquoted investments			138,950.83		138,384.62
Aggregate amount of impairment in the value of investments			8,028.30		201.70

Notes:

- 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.
- The Company has subscribed to Optionally Convertible Non-Cumulative Redeemable Preference Shares of INR 10 each carrying coupon of 0.10% per annum issued by its wholly owned subsidiary i.e. Jaspack Industries Private Limited ('Jaspack'). Such shares shall be optionally convertible to the equity shares at the option of the shareholders at the end of one year, unless decided by the Board of Directors of the Jaspack to convert at an early date from the date of allotment. At the time of conversion, every one (1) preference share of face value of INR 10/- each, will be entitled to one (1) equity share of face value of INR 10/- each of Jaspack. The tenure of Optionally Convertible Non-Cumulative Redeemable Preference Shares will be upto 27 March 2035. The preference shares can be redeemed at face value of INR 10/- per share at any point of time.
- The Company had subscribed to Optionally Convertible Non-Cumulative Redeemable Preference Shares (OCNRPS) of INR 10 each carrying coupon of 0.01% per annum issued by its wholly owned subsidiaries i.e. Mahananda Spa and Resorts Private Limited ('Mahananda'). Such shares shall be optionally convertible to the equity shares either fully or partly at the option of the issuer Company at any time during the tenure of OCNRPS in one or more tranches. At the time of conversion, each one (1) OCNRPS of face value of INR 10/- each, will be entitled to one (1) equity share of face value of INR 10/- each of Mahananda, or if OCNRPS is redeemed in cash, the redemption will be made at higher of the fair value of shares of Mahananda on the date of redemption or Issue price of OCNRPS i.e. INR. 10/- for each OCNRPS. The tenure of Optionally Convertible Non-Cumulative Redeemable Preference Shares shall be up to 30 September 2038.



- d. The Company has subscribed to Optionally Convertible Non-Cumulative Redeemable Preference Shares (OCNRPS) of face value of INR 10/- with a premium of INR 466.41/- each carrying coupon of 0.01% per annum issued by its wholly owned subsidiaries i.e. Prolifune Life science Private Limited ('Prolifune'). Such shares shall be optionally convertible to the equity shares either fully or partly at the option of the issuer Company at any time during the tenure of OCNRPS in one or more tranches. At the time of conversion, each one (1) OCNRPS of face value of INR 10/- each, will be entitled to one (1) equity share of face value of INR 10/- each of Prolifune, or if OCNRPS is redeemed in cash, the redemption will be made at higher of the fair value of shares of Prolifune on the date of redemption or Issue price of OCNRPS i.e. INR 476.41/- for each OCNRPS. The tenure of Optionally Convertible Non-Cumulative Redeemable Preference Shares shall be up to 30 September 2038.
- e. The Company has subscribed to Optionally Convertible Non-Cumulative Redeemable Preference Shares (OCNRPS) of face value of INR 10/- with a premium of INR 225/- each carrying coupon of 0.01% per annum issued by its wholly owned subsidiaries i.e. JPR Labs Private Limited ('JPR'). Such shares shall be optionally convertible to the equity shares either fully or partly at the option of the issuer Company at any time during the tenure of OCNRPS in one or more tranches. At the time of conversion, each one (1) OCNRPS of face value of INR 10/- each, will be entitled to one (1) equity share of face value of INR 10/- each of JPR, or if OCNRPS is redeemed in cash, the redemption will be made at higher of the fair value of shares of JPR on the date of redemption or Issue price of OCNRPS i.e. INR 235/- for each OCNRPS. The tenure of Optionally Convertible Non-Cumulative Redeemable Preference Shares shall be up to 30 September 2038.
- f. The Company has subscribed to Optionally Convertible Non-Cumulative Redeemable Preference Shares (OCNRPS) of face value of INR 10/- each carrying coupon of 0.01% per annum issued by its wholly owned subsidiaries i.e. Applan Properties Private Limited ('Applan'). Such shares shall be optionally convertible to the equity shares either fully or partly at the option of the issuer Company at any time during the tenure of OCNRPS in one or more tranches. At the time of conversion, each one (1) OCNRPS of face value of INR 10/- each, will be entitled to one (1) equity share of face value of INR 10/- each of Applan, or if OCNRPS is redeemed in cash, the redemption will be made at higher of the fair value of shares of Applan on the date of redemption or Issue price of OCNRPS i.e. INR 10/- for each OCNRPS. The tenure of Optionally Convertible Non-Cumulative Redeemable Preference Shares shall be up to 30 September 2038.
- g. The Company has been incorporated during the year, however no investment has been made till the year ended March 31, 2020
- h. 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. See note 40.
- i. Following are the details of investments in partnership firms disclosing their capital and share of profit/ (loss) as at March 31, 2020 and March 31, 2019.

Partnership Firm	Partners	Capital		Share of profit	
		March 31, 2020	Share of profit	March 31, 2019	Share of profit
Mankind Specialities (partnership firm)	Mankind Pharma Limited	370.00	98.00%	466.55	98.00%
	Nikunj Tyagi	(6.30)	2.00%	(4.33)	2.00%
		363.70	100.00%	462.22	100.00%
North East Pharma Pack (partnership firm)	Mankind Pharma Limited	592.24	57.50%	691.39	57.50%
	JLD Builders and Developers Pvt. Ltd.	17.50	12.50%	39.05	12.50%
	Gaurav Dewan	18.75	7.50%	40.06	7.50%
	Rahul Dewan	22.25	7.50%	40.06	7.50%
	Amit Gera	33.75	7.50%	40.06	7.50%
	Bohd Raj Sikri	33.76	7.50%	40.06	7.50%
			718.25	100.00%	890.68
Superba Buildwell	Rajeev Juneja	90.90	3.30%	93.06	3.30%
	Sheetal Arora	77.12	2.80%	78.96	2.80%
	Neeraj Garg	275.44	10.00%	282.01	10.00%
	Rakesh Gupta	275.44	10.00%	282.01	10.00%
	Deepali Garg	275.44	10.00%	282.01	10.00%
	Rashi Singhal	70.22	5.00%	73.50	5.00%
	Shagun Singhal Garg	50.22	5.00%	53.50	5.00%
	Mankind Pharma Limited	1,377.22	50.00%	1,410.03	50.00%
	Arjun Juneja	107.42	3.90%	109.98	3.90%
			2,599.42	100.00%	2,665.05
Superba Developers	Mankind Pharma Limited	1,351.29	60.00%	1,361.32	60.00%
	Chirag Garg	214.78	15.00%	230.11	15.00%
	Usha Gupta	214.78	15.00%	230.11	15.00%
	Rajeev Juneja	31.53	3.30%	32.08	3.30%
	Sheetal Arora	25.67	2.80%	26.13	2.80%
	Arjun Juneja	16.12	3.90%	16.77	3.90%
			1,854.17	100.00%	1,896.53
Superba Buildwell (South)	Ajai Agarwal	194.51	10.00%	194.12	10.00%
	Mankind Pharma Limited	2,762.60	70.00%	2,759.83	70.00%
	Parag Gupta	194.51	10.00%	194.12	10.00%
	Uma Gupta	194.51	10.00%	194.12	10.00%
		3,346.13	100.00%	3,342.19	100.00%
Om Sai Pharma Pack	Arun Kumar Vasishtha	237.33	10.00%	189.47	10.00%
	Siddharth Vasishtha	233.23	10.00%	185.37	10.00%
	Deepak Mehendiratta	381.28	10.00%	333.42	10.00%
	Dhruv Mehendiratta	87.12	10.00%	39.26	10.00%
	Anshul Sikri	345.82	14.00%	278.82	14.00%
	Pochiraju Venkata Padmaja	139.76	6.00%	111.04	6.00%
	Esha Arora Tiwari	1,347.98	20.00%	1,252.26	20.00%
	Mankind Pharma Limited	2,828.51	20.00%	2,732.79	20.00%
		5,601.03	100.00%	5,122.44	100.00%



j. Impairment of investments

(i) The Company 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 Company 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 flows calculations uses management assumptions and pre tax cash flow projections based on financial budgets approved by the respective entities management covering 5 to 8 years period. Cash flow projection beyond 5 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 in pharmaceuticals sector 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.

(ii) In respect of investment in real estate and hospitality, management has considered their fair value considering the direct comparable method. The fair value of investments has been determined by Akhil Kumar and Associates, Government approved valuer and Colliers International (India) Property Services Pvt. Ltd. The direct comparison approach involves a comparison of the investments 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 main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.

Sensitivity analysis of assumptions

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

7 Non-Current Investments

	Face Value per share	As at 31 March 2020		As at 31 March 2019	
		Units/ shares	Amount	Units/ shares	Amount
Non- Current					
(c) Investment in unquoted equity instruments measured at fair value, fully paid up					
Other entities					
Shivalik Solid Waste Management Limited	INR 10	2,500	0.25	2,500	0.25
Total			0.25		0.25
				As at	As at
				31 March 2020	31 March 2019
Aggregate amount of unquoted investments measured at FVTPL				0.25	0.25

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7 Current Investments

Current	As at 31 March 2020		As at 31 March 2019	
	Units (In Nos.)	Amount (In lacs)	Units (In Nos.)	Amount (In lacs)
Investment in Mutual Investments (Quoted)				
Financial assets carried at fair value through profit or loss (FVTPL)				
Aditya Birla Sun Life Short Term Fund - Growth - Direct Plan	-	-	759,719.66	243.59
Aditya Birla Sun Life Credit Risk Fund - Growth Regular (formerly known as Aditya Birla Sun Life	-	-	3,355,641.69	458.87
Aditya Birla Sun Life Medium Term Plan - Growth-Direct Plan	-	-	509,928.30	121.05
Aditya Birla Sun Life Medium Term Plan - Growth-Regular Plan	-	-	4,121,562.65	939.27
Aditya Birla Sun Life Arbitrage Fund - Dividend-Direct Plan (formerly known as Aditya Birla Sun Life	15,556,400.96	1,716.94	-	-
Enhanced Arbitrage Fund) - Reinvest	-	-	-	-
Aditya Birla Sun Life Corporate Bond Fund - Growth-Direct Plan (formerly known as Aditya Birla Sun	1,479,459.16	1,167.06	1,068,196.05	770.87
Life Short Term Fund)	-	-	-	-
Aditya Birla Sun Life Floating Rate Fund - Growth-Direct Plan	244,158.91	616.00	-	-
Aditya Birla Sun Life Short Term Fund - Growth-Regular Plan	722,037.09	239.54	1,349,618.02	417.22
Axis Credit Risk Fund - Regular Growth	-	-	883,439.05	128.55
Axis Dynamic Bond Fund - Direct Plan - Growth Plan	1,350,785.48	310.01	-	-
Axis Strategic Bond Fund - Direct Growth	2,386,221.95	494.77	3,614,587.37	692.39
Axis Arbitrage Fund - Direct Growth	-	-	-	-
Baroda Credit Risk Fund* - Plan A Growth	-	-	1,318,577.21	187.84
DSP Banking and PSU Debt Fund - Reg - Growth	-	-	4,107,821.78	648.18
DSP Short Term Fund - Regular Plan - Growth	-	-	2,256,995.10	710.48
DSP Short Term Fund - Direct Plan - Growth	-	-	1,171,040.33	384.93
DSP Arbitrage Fund - Dir - Monthly Dividend - Reinvest	32,156,636.28	3,353.94	-	-
DSP Corporate Bond Fund - Dir - Growth	8,587,775.53	1,016.25	-	-
DSP Low Duration Fund - Direct Plan - Growth (formerly DSP Ultra Short Term Fund)	10,317,440.58	1,537.78	-	-
BOI AXA Short Term Income Fund - Direct Plan - Growth	-	-	3,769,975.84	803.52
BHARAT Bond FOF - April 2023 - Direct Plan Growth	11,762,399.53	1,203.54	-	-
HDFC Credit Risk Debt Fund - Regular Plan - Growth (formerly HDFC Corporate Debt Opportunities	-	-	2,460,951.85	375.42
Fund, erstwhile HDFC Regular Savings Fund merged	-	-	-	-
HDFC FMP 1148D February 2016 (2) - Regular- Growth - Series-35	-	-	2,000,000.00	263.35
HDFC FMP 1161D February 2016 (1) - Regular - Growth - Series-35	-	-	2,000,000.00	264.51
HDFC Corporate Bond Fund - Regular Plan - Growth (formerly HDFC Medium term Opportunities Fund,	-	-	2,818,411.74	586.53
HDFC Corporate Bond Fund - Direct Plan - Growth Option (formerly HDFC Medium term Opportunities	-	-	2,737,301.03	573.07
Fund, erstwhile HDFC Gilt Fund Short Term, HDFC Floating Rate Income Fund - Long Term Plan	-	-	-	-
merged)	-	-	-	-
HDFC Credit Risk Debt Fund - Direct - Growth (formerly HDFC Corporate Debt Opportunities Fund,	-	-	1,611,211.48	256.48
erstwhile HDFC Regular Savings Fund	-	-	-	-
HDFC Short Term Debt Fund - Direct Plan - Growth Option (formerly HDFC Short Term Opportunities	-	-	3,554,191.31	740.37
Fund)	-	-	-	-
HDFC Arbitrage Fund - Wholesale Plan -Monthly Dividend - Direct Plan - Reinvest	25,052,670.42	2,626.52	-	-
HDFC Banking and PSU Debt Fund - Direct Growth Option	2,914,513.54	490.38	2,914,513.54	444.09
HDFC Charity Fund for Cancer Cure - Debt Plan - Direct Option - 50% Dividend Donation - Payout	5,000.00	0.50	5,000.00	0.50
HDFC Short Term Debt Fund - Regular Plan - Growth (formerly HDFC Short Term Opportunities Fund)	551,161.57	124.78	2,300,595.92	474.83
ICICI Prudential Credit Risk Fund - Growth (formerly ICICI Prudential Regular Savings Fund	-	-	1,863,433.05	370.24
ICICI Prudential FMP Series 79 1218 Days Plan A - Cumulative	-	-	2,000,000.00	255.23
ICICI Prudential Bond Fund - Direct Plan - Growth (formerly ICICI Prudential Income Opportunities	-	-	2,119,918.02	560.10
Fund)	-	-	-	-
ICICI Prudential Credit Risk Fund - Direct Plan - Growth (formerly ICICI Prudential Regular Savings	-	-	1,258,732.46	264.72
Fund)	-	-	-	-
ICICI Prudential Medium Term Bond Fund - Growth (formerly ICICI Prudential Corporate Bond Fund)	-	-	2,583,819.12	735.07
ICICI Prudential Banking and PSU Debt Fund - Direct Plan - Growth	3,597,485.47	850.58	3,597,485.47	775.77
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth (formerly ICICI Prudential Ultra Short	4,859,221.05	1,045.22	-	-
Term Plan)	-	-	-	-
ICICI Prudential Short Term Fund - Growth Option (formerly ICICI Prudential Short Term Plan)	1,147,993.59	484.10	2,104,420.83	813.06
ICICI Prudential Short Term Fund - Direct Plan - Growth Option (formerly ICICI Prudential Short Term	4,151,832.54	1,842.01	4,151,832.54	1,675.04
Plan)	-	-	-	-
IDFC Corporate Bond Fund Regular Plan-Growth	-	-	1,971,145.28	250.97
IDFC Arbitrage Fund-Monthly Dividend-(Direct Plan) - Reinvest	7,646,007.12	1,011.51	-	-
IDFC Corporate Bond Fund Direct Plan-Growth	11,771,038.25	1,643.54	-	-
IDFC Low Duration Fund-Growth-(Direct Plan)	5,333,824.45	1,541.19	-	-
Invesco India Arbitrage Fund - Direct Plan Dividend - Reinvest	12,426,891.51	1,722.18	-	-
Invesco India Corporate Bond Fund - Direct Plan Growth	50,903.50	1,225.55	-	-
Kotak Credit Risk Fund - Growth (Regular Plan) (Erstwhile Kotak Income Opp.)	-	-	8,715,760.04	1,773.05
Kotak Credit Risk Fund - Direct Plan - Growth (Erstwhile Kotak Income Opp.)	-	-	3,783,109.21	814.78
Kotak FMP Series 189 - Growth	-	-	1,001,041.00	133.56
Kotak Medium Term Fund Direct Plan - Growth	-	-	2,274,450.34	363.78
Kotak Medium Term Fund - Growth (Regular Plan)	-	-	4,612,941.91	705.03
Kotak Equity Arbitrage Fund - Direct Plan - Fortnight Dividend - Reinvest	7,366,393.78	1,735.60	-	-
L&T Low Duration Fund - Growth (Formerly L&T Short Term Income Fund - Growth)	-	-	3,449,478.75	691.05
L&T Credit Risk Fund Direct Plan - Growth (Formerly L&T Income Opportunities Fund Direct Plan -	-	-	7,381,160.01	1,603.51
Growth)	-	-	-	-
L&T Resurgent India Bond Fund Growth (Formerly L&T Resurgent India Corporate Bond Fund Growth)	-	-	2,124,928.82	289.08
L&T Credit Risk Fund - Growth (Formerly L&T Income Opportunities Fund - Growth)	1,593,617.03	344.76	15,802,338.52	3,332.65
L&T Short Term Bond Fund - Growth (Formerly L&T Short Term Opportunities Fund - Growth)	3,355,055.13	653.54	-	-
L&T Short Term Bond Fund Direct Plan - Growth (Formerly L&T Short Term Opportunities Fund Direct	9,338,044.54	1,880.34	-	-
Plan - Growth)	-	-	-	-
L&T Triple Ace Bond Fund Direct Plan - Growth	2,822,914.64	1,560.13	-	-



7 Current Investments

Current

Investment in Mutual Investments (Quoted)

Financial assets carried at fair value through profit or loss (FVTPL)

	As at 31 March 2020		As at 31 March 2019	
	Units (In Nos.)	Amount (In lacs)	Units (In Nos.)	Amount (In lacs)
Nippon India Credit Risk Fund - Growth Plan Growth Option	-	-	3,285,626.34	846.98
Nippon India Strategic Debt Fund - Direct Growth Plan	-	-	1,579,778.83	242.57
Nippon India Strategic Debt Fund - Growth Plan	-	-	6,073,209.82	893.38
Nippon India Arbitrage Fund - Direct Monthly Dividend Plan - Reinvest	18,568,125.28	2,068.62	-	-
Nippon India Banking & Psu Debt Fund - Direct Growth Plan	2,145,222.14	323.62	-	-
Nippon India Short Term Fund - Direct Growth Plan Growth Option	3,104,391.75	1,227.43	-	-
Nippon India Strategic Debt Fund - Segregated Portfolio 1 - Growth Plan	1,527,172.21	0.80	-	-
Nippon India Strategic Debt Fund - Segregated Portfolio 2 - Growth Plan	1,527,172.21	-	-	-
SBI Credit Risk Fund Regular Growth (formerly SBI Corporate Bond Fund)	-	-	1,269,412.29	379.15
SBI Corporate Bond Fund - Direct Plan - Growth	-	-	-	-
SBI Magnum Medium Duration Fund Regular Growth (formerly SBI Regular Savings Fund)	10,903,123.53	1,230.50	-	-
UTI Banking & PSU Debt Fund - Direct Growth Plan	846,152.54	304.93	846,152.54	273.94
UTI Credit Risk Fund - Direct Growth Plan	-	-	3,309,439.17	498.56
UTI Arbitrage Fund-Direct Growth Plan	-	-	1,692,436.77	304.81
UTI Credit Risk Fund - Regular Growth Plan	2,313,069.24	632.06	-	-
UTI Credit Risk Fund (Segregated - 13092019) - Regular Growth Plan - Segregated 1 (G)	2,000,253.84	235.40	4,131,329.18	691.03
UTI Credit Risk Fund (Segregated - 13092019) - Direct Growth Plan - Segregated 1 (G) Direct	4,131,329.18	7.56	-	-
UTI Credit Risk Fund (Segregated - 17022020) - Regular Growth Plan - Segregated 2 (G)	1,682,436.71	3.33	-	-
UTI Credit Risk Fund (Segregated - 06032020) - Regular Growth Plan - Segregated Portfolio 3 (G)	2,000,253.37	28.23	-	-
UTI Short Term Income Fund - Direct Growth Plan	1,929,868.57	431.58	3,840,334.21	889.99
UTI Short Term Income Fund - Regular Growth Plan	2,237,015.21	483.93	2,237,015.21	503.56

Total

39,416.25

31,416.57

As at
31 March 2020

As at
31 March 2019

Aggregate book value of quoted Investments
Aggregate market value of quoted Investments

39,416.25
39,416.25

31,416.57
31,416.57



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Mankind Pharma Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2020
All amounts are in INR lacs unless otherwise stated

	As at 31 March 2020	As at 31 March 2019
8 Other financial assets (carried at amortised cost)		
Non-Current (Unsecured and considered good)		
Security deposits and earnest money deposits (see note (c) below)	447.47	357.98
Security deposits to related parties (refer note 40)	648.44	648.44
Bank deposits under lien (refer note a and b below)	138.88	142.43
	1,234.79	1,148.85
Current (Unsecured and considered good)		
Security and earnest money deposits	213.27	168.86
Other receivable	-	7.18
	213.27	176.04

Notes:

a. Bank deposits include deposits of INR 138.88 lacs as at 31 March 2020 and INR 142.43 lacs as at 31 March 2019 are lien marked with banks issued to various government authorities/ Institutions as margin/ deposits for performance guarantee.

9 Income tax assets and liabilities

Income tax assets

Income tax receivable (net of provisions)

	As at 31 March 2020	As at 31 March 2019
Income tax receivable (net of provisions)	4,038.52	5,749.09
	4,638.52	5,749.09

Income tax liabilities

Income tax payable (net of advance tax)

Income tax payable (net of advance tax)	5,657.58	-
	5,657.58	-



Mankind Pharma Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2020

All amounts are in INR lacs unless otherwise stated

	As at 31 March 2020	As at 31 March 2019
10 Other assets		
Non-Current (unsecured and considered good)		
Balances with Government authorities	959.77	419.93
Capital advances	950.09	758.42
Advances for purchase of Immovable properties	115.97	1,345.97
Prepaid Expenses	56.73	118.33
(unsecured and considered doubtful)		
Advances for purchase of Immovable properties	2,642.12	1,429.59
Less: Allowance for doubtful advances	(2,642.12)	(1,429.59)
Capital advances	59.63	40.77
Less: Allowance for doubtful advances	(59.63)	(40.77)
	2,082.56	2,642.65
a. During the year, the Company 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 Company has created an allowance for doubtful advances.		
Current (unsecured and considered good)		
Prepaid expenses	748.80	606.37
Advances to vendors	2,317.53	1,950.32
Advances to employees	1,427.26	459.50
Advance receivable from related parties	21.71	1.76
Balances with Government authorities	14,252.44	8,878.52
(unsecured and considered doubtful)		
Advances to vendors	200.69	-
Advances to employees	201.05	-
Less: Allowance for doubtful advances	(401.74)	-
	18,767.74	11,896.47
11 Inventories		
	As at 31 March 2020	As at 31 March 2019
Raw materials and components		
In hand	7,599.01	7,187.75
In transit	1,178.13	1,141.21
Work-In-progress	2,507.13	2,093.18
Finished goods	11,209.30	7,305.35
Stock in trade		
In hand	28,727.47	28,643.52
In transit	1,383.01	1,334.10
Stores and spares	743.62	444.97
	53,347.67	48,150.08

Note:

- a. The cost of inventories recognised as an expense includes INR 2,861.00 lacs for the year ended 31 March 2020 and INR 3,523.89 lacs for the year ended 31 March 2019 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. These adjustments were included in cost of material consumed and changes in inventories. The cost of inventories recognised as an expense in relation to research and development activity has been shown separately under Note 35.
- b. Mode of valuation has been stated in note 2.10.



Mankind Pharma Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2020

All amounts are in INR lacs unless otherwise stated

12 Assets held for sale

Current

Carrying amounts of:

Freehold land
Building

<u>As at</u> <u>31 March 2020</u>	<u>As at</u> <u>31 March 2019</u>
270.20	270.20
-	11.17
270.20	281.37

Note:

- a. The Company has a property at C-51, Rosewood city, Gurugram which is held for sale as the Company has entered into an agreement with the third party for sale of such property. Investment property is 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 Company expects to complete the sale by September 30, 2020.



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

	As at 31 March 2020	As at 31 March 2019
13 Contract assets		
Trade receivables		
Unsecured		
Considered good	38,962.52	12,400.56
Considered credit Impaired	345.61	270.56
Considered good - Related Parties (refer note 40)	2,899.51	1,526.30
	<u>42,207.64</u>	<u>14,197.42</u>
Less: Allowance against expected credit loss	(345.61)	(270.56)
	<u>41,862.03</u>	<u>13,926.86</u>

- a. The average credit period to customers ranges up to 60 - 90 days. No interest is charged on trade receivables up to the due date from the date of the invoice.
- b. The Company 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 Company'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 Company either severally or jointly with any other person apart from those mentioned below.

	As at 31 March 2020	As at 31 March 2019
Enterprises in which relatives of directors are interested		
Next Wave (India)	4.73	1.22
Pathkind Diagnostics Private Limited	4.76	4.69

e. Age of receivables

	As at 31 March 2020	As at 31 March 2019
Within the credit period	13,713.33	12,418.78
1-180 days past due	27,568.18	1,493.75
181-365 days past due	670.93	114.59
More than 365 days past due	255.20	170.30
	<u>42,207.64</u>	<u>14,197.42</u>

f. Movement in allowance for expected credit loss:

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	270.56	315.93
Movement for the year	75.05	(45.37)
Balance at the end of the year	<u>345.61</u>	<u>270.56</u>

14 Cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
Balances with banks		
- on current account	7,023.61	7,235.70
Cash on hand	10.51	12.21
Cheques on hand	715.66	-
	<u>7,749.78</u>	<u>7,247.91</u>

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 Company with bank comprise of the time deposits, which may be withdrawn by the Company at any point of time without prior notice and are made for varying period between one day to 12 months depending on the immediate cash requirements of the Company to earn interest at the respective short term deposit rates.

15 Other bank balances (carried at amortised cost)

	As at 31 March 2020	As at 31 March 2019
Current		
Fixed deposits with original maturity of more than three months but remaining maturity of less than twelve months (refer note b below)	4,578.30	-
Fixed deposits with original maturity of more than twelve months	7,466.72	-
	<u>12,045.02</u>	<u>-</u>

Note:

- a. Bank deposits includes interest accrued and not due on deposit account with banks amounting to INR 280.68 lacs and INR Nil lacs as at 31 March 2020 and as at 31 March 2019 respectively.
- b. Short-term deposits are made of varying periods between one day to twelve months depending on the cash requirements of the Company and earn interest at the respective short-term deposit rates.
- c. Fixed deposits with original maturity of more than 12 months and remaining less than 12 months have been disclosed under other bank balances.

16 Loans (carried at amortised cost)

	As at 31 March 2020	As at 31 March 2019
Current		
(unsecured and considered good)		
Loan to related parties (refer note 40)	21,136.40	25,056.42
Loan to employees	51.80	74.44
Loan to others	-	3.07
(credit impaired)		
Loan to others	187.57	301.97
Loan to related parties (refer note 40)	3,100.00	-
Less: Impairment allowance for credit impaired	(3,287.57)	(301.97)
	<u>21,188.20</u>	<u>25,133.93</u>

Notes:

- a. The loans classified as current are repayable on demand.
- b. Further information about these loans is set out in Note 40. These financial assets are carried at amortised cost.
- c. During the year, the Company has assessed recoverability of loans given to subsidiaries. Considering the current financial position of the Company, on going market condition in which the subsidiary operates and wherever required an impairment allowance has been made.



17 Share capital	As at	As at
	31 March 2020	31 March 2019
Authorised 410,000,000 equity shares of INR 1 each (Previous year 410,000,000 equity shares of INR 1 each)	4,100.00	4,100.00
Issued, subscribed and fully paid up 400,588,440 equity shares of INR 1 each fully paid up (Previous year 400,588,440 equity shares of INR 1 each)	4,005.88	4,005.88
	4,005.88	4,005.88

Notes:

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

The 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 Company, holder of equity shares will be entitled to receive remaining assets of the Company 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:

Issued 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	400,588,440	4,005.88	400,588,440	4,005.88
Equity shares outstanding at the end of the year	400,588,440	4,005.88	400,588,440	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	
	Numbers	% holding	Numbers	% holding
Mr. Ramesh Juneja (as Trustee of Ramesh Juneja Family Trust)	83,352,652	20.81%	83,352,652	20.81%
Mr. Rajeev Juneja (as Trustee of Rajeev Juneja Family Trust)	79,930,520	19.95%	79,930,520	19.95%
Mr. Prem Kumar Arora (as Trustee of Prem Sheetal Family Trust)	61,755,635	15.42%	61,755,635	15.42%
Sheetal Arora	23,898,836	5.97%	23,898,836	5.97%
Cairnhill Clpef Limited	38,292,240	9.56%	38,292,240	9.56%
Beige Limited	39,858,843	9.95%	39,858,843	9.95%
	327,088,726	81.65%	327,088,726	81.65%

(iv) Shares Issued for consideration other than cash :

The Company has 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 Company.



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

	As at 31 March 2020	As at 31 March 2019
18 Other equity		
General reserve	23,774.24	23,774.24
Securities premium	4,211.74	4,211.74
Retained earnings	374,713.14	316,049.53
Capital reserve	(41,559.70)	(41,559.70)
	361,139.42	302,475.81

	As at 31 March 2020	As at 31 March 2019
18.1 General reserve		
Balance at the beginning of the year	23,774.24	23,774.24
Transferred from retained earnings	-	-
Balance at the end of the year	23,774.24	23,774.24

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 Company 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.

18.2 Securities premium

Balance at the beginning of the year	4,211.74	4,211.74
Less : Utilised during the year	-	-
Balance at the end of the year	4,211.74	4,211.74

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.

18.3 Retained earnings

Balance at the beginning of the year	316,049.53	267,703.12
Profit for the year	95,822.74	51,403.53
Other comprehensive income	(732.53)	(164.23)
Dividend on equity shares (refer note 46)	(30,244.43)	(2,403.53)
Dividend distribution tax	(6,182.17)	(489.36)
Balance at the end of the year	374,713.14	316,049.53

The amount that can be distributed by the Company 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.

18.4 Capital reserve

Balance at the beginning of the year	(41,559.70)	(41,559.70)
Increase/(decrease) during the year	-	-
Balance at the end of the year	(41,559.70)	(41,559.70)

Note:

The negative capital reserve of INR 41,559.70 lacs represents net assets transferred during the year ended March 31, 2019 in respect of the Company'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.



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All amounts are in INR lacs unless otherwise stated

	As at 31 March 2020	As at 31 March 2019
19 Borrowings		
Current		
(Secured, valued at amortised cost)		
Working capital loan	-	19,000.00
	-	19,000.00

Note:

a) Working capital loan at the end of previous year was from banks and financial institutions secured by hypothecation of investment in mutual funds and book debts and carry interest rate in the range of 6.75% to 8.75% p.a. The loan has been fully repaid during the current year.

b) The Company has not defaulted on repayment of loans and interest during the year.

c) Changes in liability arising from financing activities:

Particulars	Lease liability		Borrowings	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Opening balances	-	-	19,000.00	36,000.00
Additions	427.55	-	-	-
Interest expense	23.07	-	205.40	3,626.42
Cash Inflows	-	-	19,400.00	29,950.00
Cash Outflows	(81.67)	-	(38,400.00)	(46,950.00)
Interest paid	-	-	(205.40)	(3,626.42)
Other non-cash adjustments	-	-	-	-
Closing balances	368.95	-	-	19,000.00

20 Provisions

Non-current

Provision for employee benefits				
Provision for gratuity (net) (refer note 36)			4,641.37	3,242.86
			4,641.37	3,242.86

Current

Provision for employee benefits				
Provision for compensated absences			2,529.46	1,069.37
Other provisions				
Provision for expected sales return			14,393.09	6,663.04
			16,922.55	7,732.41

Provision for expected sales return

	As at 31 March 2020	As at 31 March 2019
Balance as at the beginning of the year	6,663.04	3,060.36
Addition during the year	15,700.89	12,323.53
Utilised during the year	(7,970.84)	(8,720.85)
Balance as at the end of the year	14,393.09	6,663.04

Provision for expected sales return: A provision is recognized for expected sales return on products sold by the Company 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.



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

			As at 31 March 2020	As at 31 March 2019
21 Deferred tax balances				
Deferred tax liabilities			(8,466.56)	(7,582.81)
Deferred tax assets			10,571.51	5,783.23
Deferred tax assets / (liabilities) (net)			2,104.95	(1,799.58)
Year ended 31 March 2020	Opening Balance	Recognised in Profit or loss	Recognised in other comprehensive Income	Closing balance
Deferred tax liabilities in relation to				
Property, plant and equipment	(5,551.09)	(2,060.14)	-	(7,611.23)
Unrealised profit on investments measured at FVTPL	(2,031.72)	1,303.07	-	(728.65)
Right of use assets	-	(126.68)	-	(126.68)
	(7,582.81)	(883.75)	-	(8,466.56)
Deferred tax assets in relation to				
Provision for employee benefits	1,375.10	1,040.42	393.47	2,808.99
Allowance for expected credit loss	94.54	26.23	-	120.77
Provision for expected sales return	2,328.33	2,701.19	-	5,029.52
Provision for doubtful loans and advances	605.08	(605.08)	-	-
Deferred Government Grant	-	440.61	-	440.61
Provision for slow moving inventories	965.89	1,031.48	-	1,997.37
Lease Liability	-	128.92	-	128.92
Others	414.29	(368.96)	-	45.33
	5,783.23	4,394.81	393.47	10,571.51
Deferred tax (liabilities)/ assets (net)	(1,799.58)	3,511.06	393.47	2,104.95
Year ended 31 March 2019	Opening Balance	Recognised in Profit or loss	Recognised in other comprehensive Income	Closing balance
Deferred tax liabilities in relation to				
Property, plant and equipment	(3,662.30)	(1,888.79)	-	(5,551.09)
Unrealised profit on investments measured at FVTPL	(3,074.91)	1,043.19	-	(2,031.72)
	(6,737.21)	(845.60)	-	(7,582.81)
Deferred tax assets in relation to				
Provision for employee benefits	1,457.18	(170.29)	88.21	1,375.10
Property, plant and equipment	-	-	-	-
Allowance for expected credit loss	136.76	(42.22)	-	94.54
Provision for expected sales return	1,069.41	1,258.92	-	2,328.33
Commission payable	150.75	(150.75)	-	-
Provision for slow moving inventories	437.12	528.77	-	965.89
Provision for doubtful loans and advances	573.24	31.84	-	605.08
Others	4.99	409.30	-	414.29
	3,829.45	1,865.57	88.21	5,783.23
Deferred tax liabilities (net)	(2,907.76)	1,019.97	88.21	(1,799.58)

Note:

- Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.
- The Company has not created deferred tax on impairment loss of non-current financial assets (investments, doubtful capital advances and loans aggregating to INR 14,017.62 lacs) as the Company does not expect taxable capital gain in future against which such deferred tax assets can be realised. Had the Company created deferred tax on the same, the profit would have been higher by INR 3,164.86 lacs.
- During the year, the Company 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.



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

	As at 31 March 2020	As at 31 March 2019
22 Other liabilities		
Non-current		
Deferred government grant (refer note below)	1,491.68	1,017.98
	1,491.68	1,017.98
Current		
Contract liabilities	170.86	521.01
Statutory liabilities	3,997.13	2,431.36
Advance against sale of Investments	67.02	321.08
Others	27.06	51.46
	4,262.07	3,324.91

Note:

- a. Deferred government grant includes assistance in the form of duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on Import of property, plant and equipment accounted for as government grant and being amortised over the period of contractual obligation.

During the year, the Company 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.

- b. Movement of government grant:

Opening balance	1,017.98	756.36
Add: grant received during the year	3,907.56	1,409.52
Less: government grant income (refer note 26)	(3,433.86)	(1,147.90)
Closing balance	1,491.68	1,017.98

23 Trade payables

Current

i. Total outstanding dues of micro enterprises and small enterprises (refer note 41)	4,325.27	5,013.20
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	44,397.74	33,688.04
	48,723.01	38,701.24

Note:

- a. The average credit period on purchases is up to 60 days for the Company. The Company however ensures that all payables are paid within the pre agreed credit limits.
- b. Trade Payables include due to related parties INR 9,293.08 lacs (31 March 2019 : INR 11,454.02 lacs).
- c. The amounts are unsecured and non-Interest bearing.
- d. For terms and conditions with related parties, refer to Note 40.

24 Other financial liabilities

Non-current

Lease liability (refer note 44)	255.69	-
	255.69	-

Current

Lease liability (refer note 44)	113.26	-
Capital creditors	2,185.41	1,824.96
Trade/ security deposits from vendors and others	3,712.72	1,931.32
	6,011.39	3,756.28

Note:

- a. Trade/ security deposits includes interest accrued amounting to INR Nil and INR 28.98 lacs as at 31 March 2020 and as at 31 March 2019 respectively.



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

	Year ended 31 March 2020	Year ended 31 March 2019
25 Revenue from operations		
25.1 Revenue from contracts with customers		
Sale of products	465,189.16	382,020.75
Sale of services	7,825.83	605.16
	473,014.99	382,625.91
(a) Disaggregated revenue Information		
Set out below is the disaggregation of the Company's revenue from contracts with customers:		
Segment		
	Year ended 31 March 2020	Year ended 31 March 2019
(I) Type of goods & service		
Pharmaceutical and healthcare products	465,189.16	382,020.75
Services Income	7,825.83	605.16
Total revenue from contracts with customers	473,014.99	382,625.91
(II) Geographical Information		
India	467,798.84	377,949.03
Outside India	5,216.15	4,676.88
Total revenue from contracts with customers	473,014.99	382,625.91
(III) Timing of revenue recognition		
Goods transferred at a point of time	465,189.16	382,020.75
Services transferred over the time	7,825.83	605.16
Total revenue from contracts with customers	473,014.99	382,625.91
(b) Contract balances		
Trade receivables	41,862.03	13,926.86
Contract liabilities	170.86	521.01
The average credit period to customers ranges up to 60 - 90 days. No Interest is charged on trade receivables up to 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	495,748.17	402,004.06
Adjustments:		
Sales return	(15,700.89)	(12,323.53)
Discount	(2,923.29)	(2,211.62)
Scheme Cost	(4,109.00)	(4,843.00)
Revenue from contracts with customers	473,014.99	382,625.91
(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: Obligation of the Company is to provide shared services to its group companies and accordingly recognises revenue over the period of the contract based on the services rendered.		
25.2 Other operating revenues		
Export incentives	203.37	59.45
Royalty income	6,064.52	-
Scrap sales	158.57	175.15
Other Income	-	45.37
	6,426.46	279.97
Total revenue from operations	479,441.45	382,905.88
26 Other Income		
Interest Income		
Interest Income earned on:		
- bank deposits (at amortised cost)	338.19	16.48
- financial assets (at amortised cost)	1,310.37	1,907.58
Other Interest Income	47.94	93.73
	1,696.50	2,017.79
Other non-operating Income		
Rental Income	17.92	39.18
Insurance claim received	40.40	57.80
Other Income	323.77	259.03
	382.09	356.01
Other gains and losses		
Unrealised gain on current investments measured at FVTPL	992.76	2,279.47
Realised gain on current investments measured at FVTPL	636.61	-
Dividend income from financial assets measured at FVTPL	294.74	0.06
Dividend income from subsidiary	0.04	-
Government grant Income (refer note 22)	3,433.86	1,147.90
Share in profit/ loss of partnership firms (net)	922.77	516.62
Gain on sale of investment property	901.58	69.10
Gain on foreign currency transactions and translation (net)	123.93	46.50
	7,306.29	4,059.65
Total other Income	9,384.88	6,433.45



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

	Year ended 31 March 2020	Year ended 31 March 2019
27 Cost of raw material and components consumed		
a Raw material and components consumed		
Inventory at the beginning of the year	8,328.96	4,712.95
Add: Purchase of pharmaceutical and healthcare products	43,935.31	29,067.88
	52,264.27	33,780.83
Less: Inventory at the end of the year	(8,777.14)	(8,328.96)
	43,487.13	25,451.87
b Purchase of traded goods sold		
Purchase of pharmaceutical and healthcare products	118,255.19	111,585.23
	118,255.19	111,585.23
28 Changes in inventories of finished goods, work in progress and stock in trade		
Opening Stock:		
Finished goods	7,305.35	4,736.19
Work in progress	2,093.18	1,893.52
Stock in trade		
a. In hand	28,643.52	34,259.43
b. In transit	1,334.10	694.76
	39,376.15	41,583.90
Closing Stock:		
Finished goods	11,209.30	7,305.35
Work in progress	2,507.13	2,093.18
Stock in trade		
a. In hand	28,727.47	28,643.52
b. In transit	1,383.01	1,334.10
	43,826.91	39,376.15
Net decrease/(increase)	(4,450.76)	2,207.75
29 Employee benefits expense		
Salaries, wages and bonus	94,802.89	74,561.88
Contribution to provident and other fund (refer note 36)	2,953.97	2,704.78
Gratuity expense (refer note 36)	795.45	690.67
Staff welfare expenses	594.62	544.67
	99,146.93	78,502.00
30 Finance Costs		
Interest expense on borrowings	205.04	3,626.42
Interest expense on financial liabilities at amortised cost	151.85	115.08
Interest on delay deposit of income tax	678.67	16.17
Interest on lease liabilities	23.07	-
Other finance costs	2.97	146.63
	1,061.60	3,904.30
31 Depreciation and amortisation expense		
Depreciation on property, plant and equipment (refer note 3)	5,291.40	3,534.71
Depreciation on Investment properties (refer note 4)	0.73	8.71
Amortisation of Intangible assets (refer note 5)	787.61	295.80
Depreciation of Right-of-use assets (refer note 3)	96.88	-
	6,176.62	3,839.22



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

	Year ended 31 March 2020	Year ended 31 March 2019
32 (a) Other expenses		
Consumption of stores and spares	3,994.22	2,871.50
Power and fuel	4,648.96	3,506.96
Rent	1,727.00	1,833.51
Repair and maintenance		
- Machinery	1,420.55	919.88
- Building	358.52	153.37
- others	1,598.93	1,116.36
Insurance	511.76	412.83
Rates and taxes	4,097.38	3,808.70
Communication expenses	885.96	962.62
Travelling and conveyance	19,603.31	20,832.17
Printing and stationery	281.06	323.66
Freight cartage and other distribution cost	3,295.16	3,364.60
Commission and brokerage	9,309.61	8,751.30
Director sitting fees	2.40	-
Corporate social responsibility expenditure (refer note 48)	1,659.72	1,359.20
Legal and professional charges	2,278.92	5,638.75
Payments to auditors (refer note below)	53.82	60.43
Training and recruitment expenses	2,118.98	3,138.82
Advertising and sales promotion expenses	20,808.74	28,896.96
Security expenses	360.66	439.32
Testing and inspection charges	3,547.17	3,123.55
Bank charges	48.58	56.46
Loss on sale and write off of property, plant and equipment (net)	62.05	100.70
Bad debts	35.79	81.35
Impairment allowance for doubtful advances	401.74	131.87
Allowance for expected credit loss on trade receivables	75.05	-
Royalty	689.92	-
Miscellaneous expenses	2,623.35	2,632.89
Total	86,499.31	94,517.76
Note:		
Payments to statutory auditors (excluding input tax)		
a) Audit fees	53.82	58.60
b) Reimbursement of expenses	-	1.83
	53.82	60.43
32 (b) Impairment of non-current assets		
Impairment of investment in subsidiaries, associates and joint ventures (refer note 6)	7,826.60	201.70
Impairment of doubtful capital advances (refer note 10)	1,231.39	-
Total	9,057.99	201.70
32 (c) Impairment losses on financial assets		
Impairment allowance for loans - credit impaired (refer note 16)	3,100.00	-
	3,100.00	-



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

	Year ended 31 March 2020	Year ended 31 March 2019
33 Income taxes		
33.1 Income tax recognised in the Statement of profit and loss		
Current tax		
In respect of the current year	33,657.69	18,481.32
In respect of the previous year	522.95	264.62
	34,180.64	18,745.94
Deferred tax		
In respect of the current year	(3,511.06)	(1,019.97)
	(3,511.06)	(1,019.97)
Total income tax expense recognised in the current year	30,669.58	17,725.97
Tax expense	30,669.58	17,725.97
Total income tax expense recognised in the current year	30,669.58	17,725.97

The Income tax expense for the year can be reconciled to the accounting profit as follows:

Profit before tax	126,492.32	69,129.50
Statutory income tax rate	34.944%	34.944%
Income tax expense at statutory income tax rate	44,201.48	24,156.61
Effect of Income that is exempt from taxation	(425.46)	(180.55)
Effect of expenses that are not deductible in determining taxable profit	5,423.30	906.06
Effect of accelerated allowances	(1,771.70)	(1,860.71)
Effect of concessions (tax holiday and similar exemptions)	(15,910.28)	(4,309.27)
Effect of income charged at lower tax rate	(634.83)	(1,189.07)
Deferred tax credit in respect of the prior years	629.01	(67.46)
Effect of deductions for tax purposes	(353.23)	-
Adjustments recognised in the current year in relation to the previous years	522.95	264.62
Impact of reversal of deferred tax in tax holiday period	(261.95)	-
Effect of Indexation	(749.72)	-
Other adjustments	-	5.74
At the effective income tax rate of 24.25% (31 March 2019: 25.64%)	30,669.58	17,725.97

33.2 Income tax recognised in other comprehensive income

Income tax relating to item that will not be reclassified to profit or loss		
- Remeasurement of the defined benefit plan	393.47	88.21
Total income tax expense recognised in other comprehensive income	393.47	88.21

Note:

Effective tax rate has been calculated on profit before tax.



	<u>As at</u> <u>March 31, 2020</u>	<u>As at</u> <u>March 31, 2019</u>
34 Contingent Liabilities and Commitments (to the extent not provided for)		
A. Contingent Liabilities		
(a) Claims against the Company not acknowledged as debts		
(i) Sales tax claims	16.41	70.31
(ii) Income tax demands (paid under protest INR 959.77 lacs (March 31, 2019 : INR 273.92 lacs))	1,432.94	1,177.56
	<u>1,449.35</u>	<u>1,247.87</u>

Notes

- (i) Claims / suits filed against the Company not acknowledged as debts which represents various legal cases filed against the company. The Company has disclaimed the liability and defending the action. The Company 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 Company 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 Company financial position and results of operations.

B. Commitments

- | | | |
|--|-----------|-----------|
| (i) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances 2020: INR 950.09 lacs and 2019: INR 758.42 lacs) | 4,867.43 | 5,941.62 |
| (ii) The Company has issued corporate guarantees to banks on behalf of and in respect of fund and non fund based credit facilities availed by its subsidiaries / group companies in accordance with the policy of the Company. The Company has designated such guarantees as "Insurance Contracts" and clarified such guarantees as contingent liabilities. (See also note 42) | 21,500.00 | 21,500.00 |

The Company 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

The 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 company. The Company has complied with all the debt covenants. An amount of INR 29,500 lacs (March 31, 2019: INR 10,500 lacs) remains undrawn as at year end.

D. Other Litigations

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

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



Mankind Pharma Limited**Notes forming part of the standalone financial statements for the year ended March 31, 2020****All amounts are in INR lacs unless otherwise stated****35 Research and development expenditure**

Details of research and development expenditure included under the respective expense/ property, plant and equipment/ capital work in progress are as under:

A. Revenue Expenditure

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
	12,721.11	11,031.96

Capital Expenditure

Property, plant and equipment	727.04	762.22
	727.04	762.22

Grand Total

	13,448.15	11,794.18
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The Research and Development facilities are located at the Sector -IV, IMT Manesar, Gurugram of the Company which are approved by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Govt. of India. The Company 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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36 Employee Benefits:

Disclosures pursuant to Ind AS - 19 "Employee Benefits" (notified 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) are given below :

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

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

The Company recognised INR 2,165.13 lacs (Previous year INR 1,926.21 lacs) towards provident fund contributions in the statement of profit and loss. The contribution payable to the plan by the Company is at the rate specified in rules to the scheme.

Hon'ble Supreme Court of India vide its judgement dated February 28, 2019 on Provident Fund required the Companies to include allowances for the purpose of PF contribution. Subsequent to the year end, the 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 Company is of the view, that there is no further liability on account of the Judgement.

c. Defined benefit plan – Gratuity plan

The gratuity liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid 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.

In accordance with Payment of Gratuity Act, 1972, the Company contributes to a defined benefit plan ("the gratuity plan") run by Mankind Pharma (P) Limited Employees Group Gratuity Trust ("the trust"). The trust has taken a Group Gratuity Scheme which is administered by Life Insurance Corporation ("LIC") of India.

(i) Risks associated with Plan Provisions

Risks associated with the plan provisions are actuarial risks. These risks are:- (i) investment risk, (ii) interest rate 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 rate 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 (2012-14) ultimate table (PY) (IALM 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 31 March, 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	As at 31 March 2020	As at 31 March 2019
i.	Discount rate (p.a.)	1	6.40%	7.40%
ii.	Rate of return on assets (p.a.)	2	7.40%	7.60%
iii.	Salary escalation rate (p.a.) -Office Staff	3	8.50%	6.00%
	Salary escalation rate (p.a.) -Field Staff	3	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.



	31 March 2020	31 March 2019
(iii) Demographic assumptions:		
Retirement age	58 Years	58 Years
Mortality rate	(100% of IALM 12-14) Ultimate	(100% of IALM 06-08) Ultimate
Average outstanding service of employee up to retirement (years)	7.58	9.29
Number of employees	10,898	10,030
Attrition rate	Service up to 5 year: Field Staff - 25%, Office Staff - 20%, Service above 5 years: Field Staff - 11%, Office Staff - 6%	Service up to 5 years - 22%, above 5 years - 7%

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

a. Amounts recognised in the statement of profit and loss in respect of these defined benefits plans are as follows:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current service cost	571.53	520.39
Net interest expenses	223.92	170.28
Components of defined benefit costs recognised in statement of profit and loss	795.45	690.67

b. Remeasurement (gain)/ loss recognised in other comprehensive income :

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Actuarial (gains)/losses due to change in demographic assumptions	115.00	-
Actuarial (gains)/losses due to change in financial assumptions	807.62	77.17
Actuarial (gains)/losses due to change in experience variance	288.25	85.72
Actuarial (gains)/losses due to change in plan assets	(84.87)	89.55
Component of defined benefit costs recognised in other comprehensive income	1,126.00	252.44

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

c. Net defined benefit asset/ (liability) recognised in the balance sheet :

Particulars	As at 31 March 2020	As at 31 March 2019
Present value of defined benefit obligation	6,126.41	4,527.22
Less : Fair value of plan assets	1,485.04	1,284.36
Funded status - deficit	(4,641.37)	(3,242.86)
Current portion	-	-
Non-current portion (refer note 20)	(4,641.37)	(3,242.86)

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

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Opening defined benefit obligation	4,527.22	3,866.99
Current service cost	571.53	520.39
Interest cost	318.96	279.27
Actuarial (gain)/loss on obligation	1,210.87	162.89
Acquisition/Divestiture	(22.94)	(6.19)
Benefits paid	(479.23)	(296.13)
Closing defined benefit obligations	6,126.41	4,527.22



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

Particulars	Year ended	Year ended
	31 March 2020	31 March 2019
Opening fair value of plan assets	1,284.36	1,434.14
Expected return on plan assets	95.04	108.99
Contributions received	500.00	126.91
Benefits paid	(479.23)	(296.13)
Actuarial gain / (loss)	84.87	(89.55)
Closing fair value of plan assets	1,485.04	1,284.36

The plan assets of the Company managed through a trust namely Mankind Pharma (P) Limited Employees Group Gratuity Trust ("the trust"). The trust has taken a Group Gratuity Scheme which is administered by Life Insurance Corporation ("LIC") of India. The plan assets of the Company are managed through the trust. The details of investments relating to these assets are not shown by them. Hence, the composition of each major category of plan assets, the percentage or amount that each major category constitutes to the fair value of the total plan assets has not been disclosed.

Broad categories of plan assets as a percentage of total assets	As at	As at
	31 March 2020	31 March 2019
Insurer managed funds	100.00%	100.00%
	100.00%	100.00%

f. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis 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	As at		As at	
	March 31, 2020		March 31, 2019	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+0.5%) (% change compared to base due to sensitivity)	256.80	(238.79)	203.44	(188.70)
Salary Growth Rate (-/+0.5%) (% change compared to base due to sensitivity)	(226.10)	238.83	(188.27)	200.85

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	As at
	31 March 2020	31 March 2019
Within the next 12 months	661.09	434.26
Between 2 and 5 years	2,224.68	1,560.35
More than 5 years	2,361.51	1,830.14



37 Capital Management

For the purposes of Company's capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company'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 Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company 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 Company 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 structure of the Company:

	March 31, 2020	March 31, 2019
Debt (a) (refer note 19)	-	19,000.00
Cash and cash equivalents (Note 14)	7,749.78	7,247.91
Total Cash (b)	7,749.78	7,247.91
Net debt (c = (a-b))	(7,749.78)	11,752.09
Equity / Net Worth	365,145.30	306,481.69
Capital and Net Debt	357,395.52	318,233.78
Gearing ratio (Net Debt/Capital and Net Debt)	(2.17%)	3.69%

38 Financial Instruments

Financial risk management objective and policies

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

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

The Company'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 Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company 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
Financial assets					
Investments	39,416.50	-	-	39,416.50	39,416.50
Trade receivables	-	-	41,862.03	41,862.03	41,862.03
Cash and cash equivalents	-	-	7,749.78	7,749.78	7,749.78
Other Bank balances	-	-	12,045.02	12,045.02	12,045.02
Loans	-	-	21,188.20	21,188.20	21,188.20
Others	-	-	1,448.06	1,448.06	1,448.06
Total	39,416.50	-	84,293.09	123,709.59	123,709.59
Financial liabilities					
Trade payables	-	-	48,723.01	48,723.01	48,723.01
Others	-	-	6,267.08	6,267.08	6,267.08
Total	-	-	54,990.09	54,990.09	54,990.09
March 31, 2019	FVTPL	FVTOCI	Amortised Cost	Total carrying value	Total fair value
Financial assets					
Investments	31,416.82	-	-	31,416.82	31,416.82
Trade receivables	-	-	13,926.86	13,926.86	13,926.86
Cash and cash equivalents	-	-	7,247.91	7,247.91	7,247.91
Loans	-	-	25,133.93	25,133.93	25,133.93
Others	-	-	1,324.89	1,324.89	1,324.89
Total	31,416.82	-	47,633.59	79,050.41	79,050.41
Financial liabilities					
Borrowings	-	-	19,000.00	19,000.00	19,000.00
Trade payables	-	-	38,701.24	38,701.24	38,701.24
Others	-	-	3,756.28	3,756.28	3,756.28
Total	-	-	61,457.52	61,457.52	61,457.52

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 Company'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 Company 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		
Investments (refer note I below)	39,416.50	31,416.82	Level 1	refer note I below
Trade receivables	41,862.03	13,926.86	Level 3	
Cash and cash equivalents	7,749.78	7,247.91	Level 1	
Other Bank balances	12,045.02	-	Level 1	
Loans	21,188.20	25,133.93	Level 3	
Others	1,448.06	1,324.89	Level 3	
Financial Liabilities				
Borrowings	-	19,000.00	Level 3	
Trade payables	48,723.01	38,701.24	Level 3	
Others	6,267.08	3,756.28	Level 3	

Note:

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 fund house.

Risk management objectives

Risk management framework

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

- Market risk
- Liquidity risk
- Credit risk

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, 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 Company's activities. The Company, 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 company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

a) 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 Company 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 Company. 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 or loss
(I) Foreign Currency Risk

	As at March 31, 2019	As at March 31, 2019
	1,970.83	1,570.84

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 Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Company 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 Company profit before tax and equity is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognised by the Company that have not been hedged by a derivative instrument or otherwise are as under:

Nature	Currency	March 31, 2020		Impact on profit before tax and 1% increase		1% decrease	
		Foreign Currency	Indian Rupees	In Lacs.	In Lacs.	In Lacs.	In Lacs.
Receivable	US Dollar (USD)			20.42	1,539.69	15.40	(15.40)
Payable	US Dollar (USD)			(2.88)	(217.20)	(2.17)	2.17
Investment	US Dollar (USD)			190.01	12517.27	125.17	(125.17)
Investment	Singapore Dollar (SGD)			0.41	19.78	0.20	(0.20)



Currency	Currency	March 31, 2019		Impact on profit before tax and	
		Foreign Currency	Indian Rupees	1% Increase	1% decrease
		In Lacs.	In Lacs.	In Lacs.	In Lacs.
Receivable	US Dollar (USD)	29.51	2,041.28	20.41	(20.41)
Payable	US Dollar (USD)	(2.52)	(74.30)	(0.74)	0.74
Investment	US Dollar (USD)	180.01	11,816.77	118.17	(118.17)
Investment	Singapore Dollar (SGD)	0.41	19.78	0.20	(0.20)

(II) **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 Company's fixed rate financial liabilities to interest rate risk is as follows:

Movement of 1%	March 31, 2020	March 31, 2019
Borrowings (Impact on profit and loss)		190.00

The weighted average interest rate on the fixed rate financial liabilities is 8.28% for March 31, 2019.

(III) **Commodity Price Risk**

The Company 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 Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

b) **Liquidity**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company 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 Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be low. The Company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening our balance sheet. The maturity profile of the Company'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 Company.

Financial liabilities	As at March 31, 2020		Total
	Less than 1 year	More than 1 year	
Trade payables	48,723.01	-	48,723.01
Others	6,267.08	-	6,267.08
	<u>48,723.01</u>	<u>-</u>	<u>48,723.01</u>

Financial liabilities	As at March 31, 2019		Total
	Less than 1 year	More than 1 year	
Borrowings	19,000.00	-	19,000.00
Trade payables	38,701.24	-	38,701.24
Others	3,756.28	-	3,756.28
	<u>57,701.24</u>	<u>-</u>	<u>57,701.24</u>

c) **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 Company 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 and loans

Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company'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 Company grants credit terms in the normal course of business. The Company 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 Company carries interest and are granted after evaluating the purpose and credit worthiness of the counter party.

Moreover, given the diverse nature of the Company'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 Company'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 Company does not hold collateral as security. The Company 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

Company holds bank balances with reputed and creditworthy banking institution within the approved exposures limit of each bank. None of the Company'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 Company's treasury department in accordance with the Company'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 Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2020 is the carrying amounts. The Company'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 falling

	As at March 31, 2020	As at March 31, 2019
Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)		
Cash and cash equivalents	7,749.78	7,247.91
Other Bank balances	12,045.02	-
Loans	21,188.20	25,133.93
Others	1,448.06	1,324.89
Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)		
Trade receivables	41,862.03	13,926.86

Credit risk related to Investments

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

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

Other credit risk

The Company is exposed to credit risk in relation to loans and financial guarantees given to/ on behalf of subsidiaries/ associate companies.

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39 Segment Information

39.1 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 Company's chief operating decision maker ('CODM') has identified pharmaceuticals and other related products as the reportable segments. The Company'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 Company's main business is manufacturing and trading of pharmaceutical and other health care products in India. The Company has three manufacturing facilities at Paonta Sahib in the state of Himachal Pradesh, one manufacturing facility in the state of Sikkim and three in-house research and development centre at IMT Manesar, Gurgaon in the state of Haryana for carrying out research in pharmaceutical products.

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

39.2 Geographical Information

The following table provides an analysis of the Company'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	Year ended March 31, 2020	Year ended March 31, 2019
India	474,225.30	378,229.00	438,672.93	383,015.67
Outside India	5,216.15	4,676.88	14,437.71	2,041.28
Total	479,441.45	382,905.88	453,110.64	385,056.95

39.3 No single customer has accounted for more than 10% of the Company's revenue for the year ended March 31, 2020 and March 31, 2019.



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40 Related party disclosures

List of related parties and relationships

I. List of related parties

Subsidiaries

Lifestar Pharma Private Limited
 Magnet Labs Private Limited
 Shree Jee Laboratory Private Limited
 Lifestar Pharma LLC
 Mankind Pharma Pte Limited
 Medpack Innovations Private Limited
 Broadway Hospitality Services Private Limited
 Pavi Bulldwell Private Limited
 Prollijune Lifesciences Private Limited
 Jaspack Industries Private Limited
 Packtime Innovations Private Limited
 Mahananda Spa and Resorts Private Limited
 Relax Pharmaceuticals Private Limited
 Copmed Pharmaceuticals Private Limited
 Vebesta Labs (Partnership firm)
 Medforce Healthcare Private Limited
 JPR Labs Private Limited
 Applan Properties Private Limited
 Pharma Force Labs (Partnership firm)
 Penta Latex LLP (Limited liability partnership firm)
 Mankind Specialities (Partnership firm)
 North East Pharma Pack (Partnership firm)
 Superba Warehousing LLP (Limited liability partnership firm)

Joint Ventures

Superba Developers (Partnership firm)
 Superba Bulldwell (South) (Partnership firm)
 Superba Bulldwell (Partnership firm)

Associates

ANM Pharma Private Limited
 Sirmour Remedies Private Limited
 Om Sai Pharma Pack (Partnership firm)
 J.K Print Pack (Partnership firm)
 A. S. Packers (Partnership firm)
 N.S. Industries (Partnership firm)

Key Management Personnel (KMP)

Chairman and Whole Time Director
 Ramesh Chand Juneja
Whole Time Director and CEO
 Rafeev Juneja
Managing Director
 Sheetal Arora
Whole Time Director
 Prem Kumar Arora
 Arjun Juneja
 Satish Kumar Sharma
 Prabha Arora
Independent Director
 Surendra Lunia
 Bharat Anand
 Santiv Dwarikanath Kaul
 Leonard Lee Kim
 Tilokchand Punamchand Ostwal
 Anuj Girotra (alternate to Leonard Lee Kim)
 Adheraj Singh

Relatives of KMP (with whom transactions have taken place)

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

Others (with whom transactions have taken place)
 Enterprises in which directors are interested

Alankrit Handicraft Private Limited
 Star Infra Developers Private Limited

Enterprises in which relatives of directors are interested

A To Z Packers
 JC Juneja Foundation
 Casablanca Securities Private Limited
 Indu Bulldwell Private Limited
 Luxor Metaltech Industries Private Limited
 Nextwave (India)
 Nextwave India Private Limited
 Paonta Process Equipment
 Print Man
 Rashi Apparels Private Limited
 Rashmi Exports Private Limited
 Saburi Sai Ram Bulldtech Private Limited
 Sirmour Remedies Private Limited
 Teen Murti Product Private Limited
 Pathkind Diagnostics Private Limited
 Ramesh Juneja Family Trust
 Rafeev Juneja Family Trust
 Prem Sheetal Family Trust
 Intercity Corporate Towers LLP
 Applan Associates Infrastructure Private Limited
 Gyan Infrastructure Company Private Limited
 Mankind Biosys Private Limited
 Applan Projects LLP (limited liability partnership firm)
 Applan Bulldwell LLP (limited liability partnership firm)
 Applan Buldrise LLP (limited liability partnership firm)
 Applan Buildheights LLP (limited liability partnership firm)
 Casablanca Lifesciences LLP
 ANM Properties Pvt. Ltd.
 Sanqam Realtech Private Limited
 Avushi & Poonam Estates LLP

Post employment benefit plan for benefited employees

Mankind Pharma (P) Limited Employees' Group Gratuity Trust



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

ii. Transactions occurred during the year

Particulars	Subsidiaries		Associates		Joint ventures		Others		KMP / Relative of KMP		Total	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
A. Sale of products												
Lifestar Pharma Private Limited	7,170.80	3,173.35	-	-	-	-	-	-	-	-	7,170.80	3,173.35
Maonet Labs Private Limited	941.07	1,013.32	-	-	-	-	-	-	-	-	941.07	1,013.32
JPR Labs Private Limited	322.17	273.48	-	-	-	-	-	-	-	-	322.17	273.48
Lifestar Pharma LLC	33.04	18.56	-	-	-	-	-	-	-	-	33.04	18.56
Mankind Pharma PTE Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
Pathkind Diagnostics Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
	8,467.07	4,478.71	-	-	-	-	0.14	0.11	-	-	8,467.21	4,478.83
B. Sale of services												
Lifestar Pharma Private Limited	5,283.14	350.67	-	-	-	-	-	-	-	-	5,283.14	350.67
Meonit Labs Private Limited	2,353.55	165.58	-	-	-	-	-	-	-	-	2,353.55	165.58
Shree Jee Laboratory Private Limited	103.62	-	-	-	-	-	-	-	-	-	103.62	-
Copmed Pharmaceuticals Private Limited	17.09	11.70	-	-	-	-	-	-	-	-	17.09	11.70
J. K. Printpack	-	-	7.44	7.13	-	-	-	-	-	-	7.44	7.13
Mediforce Healthcare Private Limited	5.35	7.69	-	-	-	-	-	-	-	-	5.35	7.69
Relax Pharmaceuticals Private Limited	1.68	1.40	-	-	-	-	-	-	-	-	1.68	1.40
Sirmour Remedies Private Limited	-	-	14.57	13.32	-	-	-	-	-	-	14.57	13.32
JPR Labs Private Limited	-	0.12	-	-	-	-	-	-	-	-	-	0.12
Next Wave (India)	-	-	-	-	-	-	6.61	2.82	-	-	6.61	2.82
Om Sai Pharma Pack	28.19	35.14	-	-	-	-	-	-	-	-	28.19	35.14
Pharma Force Lab	7,792.61	572.30	22.45	26.74	-	-	6.61	2.82	-	-	81.38	85.61
C. Sale of Raw Material												
J. K. Printpack	36.04	96.87	401.35	115.32	-	-	-	-	-	-	401.35	115.32
Mediforce Healthcare Private Limited	37.55	19.80	-	-	-	-	-	-	-	-	37.55	19.80
Pharma Force Lab	-	-	0.23	2.40	-	-	-	-	-	-	0.23	2.40
Sirmour Remedies Private Limited	0.06	0.35	-	-	-	-	-	-	-	-	0.06	0.35
Next Wave (India)	1.94	6.71	-	-	-	-	-	-	-	-	1.94	6.71
Relax Pharmaceuticals Private Limited	3.80	0.40	-	-	-	-	-	-	-	-	3.80	0.40
A.S. Packers	0.02	0.38	-	-	-	-	-	-	-	-	0.02	0.38
Copmed Pharmaceuticals Private Limited	1.15	14.00	-	-	-	-	-	-	-	-	1.15	14.00
Shree Jee Laboratory Pvt. Ltd.	-	0.60	-	-	-	-	-	-	-	-	-	0.60
Verbesta Labs	70.51	-	-	-	-	-	-	-	-	-	70.51	-
JPR Labs Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
Broadway Hospitality Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
Star Infra Developers Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
Pathkind Diagnostics Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
North East Pharma Pack	-	-	-	-	-	-	-	-	-	-	-	-
Star Infra Developers Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
Intercity Corporate Towers LLP	-	-	-	-	-	-	-	-	-	-	-	-
	151.06	139.11	401.59	118.03	-	-	-	-	-	-	552.65	260.25
D. Rental income												
Lifestar Pharma Private Limited	7.80	7.80	-	-	-	-	-	-	-	-	7.80	7.80
Mahananda Spa and Resorts Private Limited	8.12	7.38	-	-	-	-	-	-	-	-	8.12	7.38
Rashi Apparels Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
	15.92	15.18	-	-	2.00	24.00	2.00	24.00	-	-	17.92	39.18
E. Interest income on financial assets - loans												
Casablanca Securities Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
Indu Buildwell Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
Jaspack Industries Private Limited	1.25	1.47	-	-	198.24	207.46	-	-	-	-	198.24	207.46
Mahananda Spa and Resorts Private Limited	-	356.83	-	-	19.84	18.43	-	-	-	-	19.84	18.43
Medipack Innovations Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
Pavi Buildwell Private Limited	0.67	0.46	-	-	-	-	-	-	-	-	0.67	0.46
Prolifune Lifesciences Private Limited	1,046.69	83.38	-	-	-	-	-	-	-	-	1,046.69	83.38
Shree Jee Laboratory Private Limited	33.85	972.31	-	-	-	-	-	-	-	-	33.85	972.31
JPR Labs Private Limited	1,082.45	1,657.79	-	-	-	-	-	-	-	-	1,082.45	1,657.79
	1,082.45	1,657.79	-	-	218.09	275.88	-	-	-	-	1,300.54	1,883.67
F. Share in profit/ (loss) of partnership firms/ LLPs												
Mankind Specialities	(96.55)	(68.19)	-	-	-	-	-	-	-	-	(96.55)	(68.19)
North East Pharma Pack	(99.15)	(141.06)	-	-	-	-	-	-	-	-	(99.15)	(141.06)
Penta Latex LLP	641.41	286.43	-	-	-	-	-	-	-	-	641.41	286.43
Superba Buildwell	-	-	-	-	117.23	80.79	-	-	-	-	117.23	80.79
Superba Buildwell (South)	-	-	-	-	167.27	155.20	-	-	-	-	167.27	155.20
Superba Developers	-	-	-	-	82.67	77.06	-	-	-	-	82.67	77.06
Superba Warehousing LLP	-	-	-	-	-	-	-	-	-	-	-	-
Om Sai Pharma Pack	13.43	11.45	-	-	96.46	114.95	-	-	-	-	13.43	11.45
	459.14	88.64	96.46	114.95	367.17	313.04	-	-	-	-	927.77	516.62



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

ii. Transactions occurred during the year

Particulars	Subsidiaries		Associates		Joint ventures		Others		KMP/ Relative of KMP		Total	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
G. Sale of property, plant and equipment												
Shree Jee Laboratory Private Limited	4.02	26.40	-	-	-	-	-	-	-	-	4.02	26.40
Mediforce Healthcare Private Limited	7.84	-	-	-	-	-	-	-	-	-	7.84	-
J. K. Printpack	40.53	-	-	-	-	-	-	-	-	-	40.53	-
Pharma Force Lab	7.06	-	-	-	-	-	-	-	-	-	7.06	-
Pathkind Diagnostics Private Limited	-	-	-	-	-	-	0.03	-	-	-	0.03	-
JPR Labs Private Limited	0.01	-	-	-	-	-	-	-	-	-	0.01	-
Sirmour Remedies Private Limited	-	10.10	-	-	-	-	-	-	-	-	-	10.10
Poanta Process Equipments	-	-	-	-	-	-	-	-	-	-	-	6.88
	59.46	26.40		10.10			0.03	6.88			59.50	43.38
H. Purchase of goods (net)												
A To Z Packers	-	-	-	-	-	-	591.54	511.33	-	-	591.54	511.33
A.S. Packers	-	-	884.48	819.14	-	-	-	-	-	-	884.48	819.14
ANM Pharma Private Limited	-	-	3,463.19	1,255.12	-	-	-	-	-	-	3,463.19	1,255.12
Comped Pharmaceuticals Private Limited	23,655.09	20,144.34	-	-	-	-	-	-	-	-	23,655.09	20,144.34
J. K. Printpack	-	-	8,810.59	9,969.05	-	-	-	-	-	-	8,810.59	9,969.05
Lifestar Pharma Private Limited	827.48	4.89	-	-	-	-	-	-	-	-	827.48	4.89
Madnet Labs Private Limited	11.59	14.62	-	-	-	-	-	-	-	-	11.59	14.62
Mankind Specialities	126.67	692.99	-	-	-	-	-	-	-	-	126.67	692.99
Mediforce Healthcare Private Limited	8,345.18	7,516.73	-	-	-	-	-	-	-	-	8,345.18	7,516.73
Medipack Innovations Private Limited	993.80	1,089.62	-	-	-	-	-	-	-	-	993.80	1,089.62
N S Industries	-	-	435.13	327.52	-	-	-	-	-	-	435.13	327.52
Next Wave (India)	-	-	-	-	-	-	7,389.96	6,379.24	-	-	7,389.96	6,379.24
North East Pharma Pack	1,569.19	518.24	-	-	-	-	-	-	-	-	1,569.19	518.24
Om Sai Pharma Pack	7,716.65	7,291.57	1,878.18	1,516.44	-	-	-	-	-	-	1,878.18	1,516.44
Penta Latex LLP	11,597.40	9,368.28	-	-	-	-	-	-	-	-	11,597.40	9,368.28
Print Man	-	-	-	-	127.90	84.69	-	-	-	-	127.90	84.69
Relax Pharmaceuticals Private Limited	6,985.93	6,600.13	-	-	-	-	-	-	-	-	6,985.93	6,600.13
Shree Jee Laboratory Private Limited	4,542.57	682.41	-	-	-	-	-	-	-	-	4,542.57	682.41
Sirmour Remedies Private Limited	3,168.65	2,900.67	6,879.69	5,584.67	-	-	-	-	-	-	6,879.69	5,584.67
Vetbesta Labs	JPR Labs Private Limited	425.87	391.69	-	-	-	-	-	-	-	425.87	391.69
JPR Labs Private Limited	431.89	28.38	-	-	-	-	-	-	-	-	431.89	28.38
Packtime Innovations Pvt. Ltd.	70,397.95	57,244.56	22,351.26	19,471.95	8,109.40	6,975.26	4.68	25.06	0.11	11.78	100,858.61	83,691.75
I. Purchase of property, plant and equipment												
Paonta Process Equipment	49.65	-	-	-	-	-	4.68	25.06	-	-	4.68	25.06
Shree Jee Laboratory Private Limited	0.11	-	-	-	-	-	-	-	-	-	0.11	-
Broadway Hospitality Services Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
Casablanca Lifesciences LLP	49.76	-	-	-	-	-	4.68	36.84	-	-	54.44	11.78
J. Purchase of services												
Lifestar Pharma Private Limited	33.66	43.87	-	-	-	-	-	-	-	-	33.66	43.87
Relax Pharmaceuticals Private Limited	13.07	17.28	-	-	-	-	-	-	-	-	13.07	17.28
Sirmour Remedies Private Limited	0.99	4.97	12.68	-	-	-	-	-	-	-	12.68	-
Broadway Hospitality Services Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
Rashi Apparels Private Limited	-	-	-	-	-	-	5.51	88.47	-	-	5.51	88.47
Teen Murti Products Private Limited	-	-	-	-	-	-	225.21	232.40	-	-	225.21	232.40
Pathkind Diagnostic Pvt. Ltd.	47.72	66.12	17.68	329.01	238.24	329.01	7.52	8.14	-	-	298.65	395.11
K. Rent expense												
Alankrit Handicrafts Private Limited	141.14	126.81	-	-	-	-	302.08	272.52	-	-	302.08	272.52
Proliune Lifesciences Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
Superba Buildwell	-	-	361.30	361.30	-	-	-	-	-	-	361.30	361.30
Lifestar Pharma Private Limited	161.68	149.38	-	-	-	-	-	-	-	-	161.68	149.38
Superba Buildwell (South)	-	-	215.07	343.62	-	-	-	-	-	-	215.07	343.62
Superba Developers	-	-	197.96	158.50	-	-	-	-	-	-	197.96	158.50
Superba Warehousing LLP	73.92	70.66	-	-	-	-	-	-	-	-	73.92	70.66
	376.74	346.87	774.33	593.42	302.08	272.52	73.92	8.14	-	-	1,453.15	1,512.80
L. Reimbursement of expenses paid												
Lifestar Pharma Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
Teen Murti Product Private Limited	223.71	-	-	-	-	-	27.60	-	-	-	27.60	-
	223.71	-	-	-	-	-	27.60	-	-	-	27.60	-



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

ii. Transactions occurred during the year

Particulars	Subsidiaries		Associates		Joint ventures		Others		KMP / Relative of KMP		Total	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
M. Security deposits paid												
Superba Buildwell	-	-	-	180.65	-	-	-	-	-	-	-	180.65
	-	-	-	180.65	-	-	-	-	-	-	-	-
N. Contribution to Gratuity Trust												
Mankind Pharma (P) Ltd Employees Group Gratuity Trust	-	-	-	-	527.55	152.30	-	-	-	-	527.55	152.30
	-	-	-	-	527.55	152.30	-	-	-	-	527.55	152.30
O. Advances recoverable - Payments made by the entity on behalf of												
Alankrit Handicrafts Private Limited	-	-	-	-	0.37	96.92	-	-	-	-	0.37	96.92
ANM Properties Pvt. Ltd.	-	-	-	-	-	2.33	-	-	-	-	-	2.33
Applian Associates Infrastructure Private Limited	-	-	-	-	-	75.22	-	-	-	-	-	75.22
Applian Properties Pvt. Ltd.	-	0.48	-	-	-	-	-	-	-	-	-	0.48
Casablanca Securities Private Limited	-	-	-	-	-	39.27	-	-	-	-	-	39.27
Gyan Infrastructure Company Private Limited	-	96.11	-	-	-	-	-	-	-	-	-	96.11
Jaspack Industries Private Limited	58.50	88.14	-	-	-	-	-	-	-	-	-	88.14
Lifestar Pharma Private Limited	12.06	205.19	-	-	-	-	-	-	-	-	-	205.19
Luxor Metaltech Industries Private Limited	-	-	-	-	-	6.65	-	-	-	-	-	6.65
Maqnet Labs Private Limited	35.60	487.93	-	-	-	-	-	-	-	-	-	487.93
Mahananda Spa and Resorts Private Limited	83.54	76.97	-	-	-	-	-	-	-	-	-	76.97
Next Wave India Private Limited	-	-	-	-	-	0.43	-	-	-	-	-	0.43
Pavi Buildwell Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
Proflune Lifesciences Private Limited	37.15	12.85	-	-	-	-	-	-	-	-	-	12.85
JPR Labs Private Limited	-	-	-	-	-	3.92	-	-	-	-	-	3.92
Bashmi Exports Private Limited	-	733.73	-	-	-	-	-	-	-	-	-	733.73
Star Intra Developers Private Limited	-	-	-	-	-	4.77	-	-	-	-	-	4.77
Saburi Sai Ram Buildtech Private Limited	-	-	-	-	-	13.48	-	-	-	-	-	13.48
Avudam Realtech Private Limited	-	-	-	-	-	14.01	-	-	-	-	-	14.01
Yavushi & Poonam Estates LLP	-	-	-	-	-	39.21	-	-	-	-	-	39.21
Applian Buildheights LLP	-	-	-	-	-	66.71	-	-	-	-	-	66.71
Applian Buildwell LLP	-	-	-	-	-	68.61	-	-	-	-	-	68.61
Applian Projects LLP	-	-	-	-	-	66.52	-	-	-	-	-	66.52
Casablanca Lifesciences LLP	-	-	-	-	-	66.70	-	-	-	-	-	66.70
Intercity Corporate Towers LLP	-	-	-	-	-	14.46	-	-	-	-	-	14.46
Mankind Biosys Private Limited	-	-	-	-	-	44.58	-	-	-	-	-	44.58
Rashi Ananaris Private Limited	-	-	-	-	-	116.98	-	-	-	-	-	116.98
Prem Kumar Arora	-	-	-	-	3.26	8.90	-	-	-	-	3.26	8.90
Ramesh Chand Juneja	-	-	-	-	-	-	-	-	-	-	-	-
Rajesh Juneja	-	-	-	-	-	-	-	-	-	-	-	-
Sheetal Arora	-	-	-	-	-	-	-	-	-	-	-	-
Eklavya Juneja	-	-	-	-	-	-	-	-	-	-	-	-
Arun Juneja	-	-	-	-	-	-	-	-	-	-	-	-
Avushi Juneja	-	-	-	-	-	-	-	-	-	-	-	-
Esha Arora	-	-	-	-	-	-	-	-	-	-	-	-
Nidhi Arora	-	-	-	-	-	-	-	-	-	-	-	-
Poonam Juneja	-	-	-	-	-	-	-	-	-	-	-	-
Puja Juneja	-	-	-	-	-	-	-	-	-	-	-	-
Puja Juneja	-	-	-	-	-	-	-	-	-	-	-	-
	227.49	1,701.44	-	-	3.63	747.87	-	-	-	-	231.12	20,891.46
P. Liability transferred to												
Lifestar Pharma Private Limited	13.22	15.19	-	-	-	-	-	-	-	-	-	15.19
Maqnet Labs Private Limited	39.91	8.12	-	-	-	-	-	-	-	-	-	39.91
Shree Jee Laboratory Private Limited	1.49	-	-	-	-	-	-	-	-	-	-	1.49
	54.62	23.31	-	-	-	-	-	-	-	-	-	54.62
Q. Liability transferred from												
Lifestar Pharma Private Limited	81.46	22.80	-	-	-	-	-	-	-	-	-	22.80
Maqnet Labs Private Limited	10.61	0.03	-	-	-	-	-	-	-	-	-	10.61
	92.07	22.83	-	-	-	-	-	-	-	-	-	92.07
R. Assets transferred to												
Lifestar Pharma Private Limited	0.26	0.81	-	-	-	-	-	-	-	-	-	0.81
Maqnet Labs Private Limited	0.37	1.85	-	-	-	-	-	-	-	-	-	1.85
	0.63	2.66	-	-	-	-	-	-	-	-	-	2.66
	0.26	0.81	-	-	-	-	-	-	-	-	-	0.81
	0.37	1.85	-	-	-	-	-	-	-	-	-	1.85
	0.63	2.66	-	-	-	-	-	-	-	-	-	2.66



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

ii. Transactions occurred during the year

Particulars	Subsidiaries		Associates		Joint ventures		Others		KMP / Relative of KMP		Total	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
AB. Financial guarantees given												
Packtime Innovations Private Limited	1,500.00										1,500.00	
Shree Jee Laboratory Private Ltd		3,500.00										3,500.00
JPR Labs Private Ltd		5,000.00										5,000.00
AC. Financial guarantees relinquished												
Lifestar Pharma LLC		1,951.32										1,951.32
ANM Pharma Private Ltd			1,500.00								1,500.00	
AD. Remuneration paid (Relatives of KMP)												
Eklavya Juneja												1,951.32
Chanakya Juneja												1,500.00
AE. Inter-Corporate Deposits received from												
Lifestar Pharma Private Limited		5,800.00							97.63	108.44	97.63	108.44
Magnet Labs Private Limited		4,850.00							12.89		12.89	
		7,650.00							110.52	108.44	110.52	108.44
AF. Inter-Corporate Deposits repaid to												
Lifestar Pharma Private Limited		5,800.00										5,800.00
Magnet Labs Private Limited		1,850.00										1,850.00
		7,650.00										7,650.00
AG. Interest Expense on Inter-Corporate Deposits												
Lifestar Pharma Private Limited		106.92										106.92
Magnet Labs Private Limited		30.47										30.47
		137.39										137.39
AH. Royalty Income												
Lifestar Pharma Private Limited	4,736.12											4,736.12
Magnet Labs Private Limited	1,328.40											1,328.40
	6,064.52											6,064.52
AI. Royalty Expense												
Lifestar Pharma Private Limited	689.57											689.57
Magnet Labs Private Limited	0.35											0.35
	689.92											689.92
AJ. Interest income - Others												
North East Pharma Pack	0.98											0.98
	0.98											0.98
AK. Director sitting fees												
Surendra Lunia									1.20			1.20
Bharat Anand									1.20			1.20
									2.40			2.40



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

iii. Balances outstanding as at the year end

Particulars	Subsidiaries		Associates		Joint ventures		Others		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
A. Trade receivables										
J. K. Printpack			185.22	122.85					185.22	122.85
Mediforce Healthcare Private Limited	0.36	113.85							0.36	113.85
Pharma Force Lab	16.26	37.48							16.26	37.48
Sirmour Remedies Private Limited			2.76	7.20					2.76	7.20
Next Wave (India)										
Relax Pharmaceutical Private Limited	0.44	0.19					4.73	1.22	4.73	1.22
Lifestar Pharma Private Limited	1,201.49	662.20							1,201.49	662.20
Magnet Labs Private Limited	694.57	162.73							694.57	162.73
Comped Pharmaceutical Private Limited	4.87	8.01							4.87	8.01
Shree Jee Laboratory Private Limited	0.96	2.00							0.96	2.00
Penta latex LLP										
A.S.Packers			45.51	45.61					45.51	45.61
JPR Labs Private Limited	322.72	339.23		0.00					322.72	339.23
Lifestar Pharma LLC	329.55	13.76		0.00					329.55	13.76
Om Sai Pharma Pack			0.38	4.95					0.38	4.95
Vetbesta Labs										
North East Pharma Pack	84.10	0.05							84.10	0.05
Pathkind Diagnostics Private Limited							4.76	4.69	4.76	4.69
	2,655.33	1,339.75	234.68	180.65			9.49	5.91	2,899.51	1,526.30
B. Trade payables										
A To Z Packers			135.44	155.70			35.43	28.21	35.43	28.21
A.S. Packers			74.38	173.36					74.38	173.36
ANM Pharma Private Limited										
Comped Pharmaceutical Private Limited	2,604.17	2,830.66	1,106.43	312.10					2,604.17	2,830.66
J. K. Printpack										
Lifestar Pharma Private Limited	408.24	76.92							408.24	76.92
Magnet Labs Private Limited	38.89	16.95							38.89	16.95
Mediforce Healthcare Private Limited	461.31	711.03							461.31	711.03
Medipack Innovations Private Limited	89.60	353.92							89.60	353.92
N.S. Industries			65.47	64.71					65.47	64.71
Next Wave (India)										
North East Pharma Pack	93.72	261.76					1,207.24	960.22	1,207.24	960.22
Om Sai Pharma Pack			333.91	310.08					333.91	310.08
Paonta Process Equipement										
Penta latex LLP	42.38	534.49					11.75	11.80	42.38	534.49
Pharma Force Lab	878.03	1,749.51							878.03	1,749.51
Print Man										
Relax Pharmaceutical Private Limited	574.65	1,469.54					28.44	19.23	574.65	1,469.54
Shree Jee Laboratory Private Limited	1.49	230.62	545.51	589.23					545.51	589.23
Sirmour Remedies Private Limited										
Teen Murti Products Private Limited										
Rashi Apparels Private Limited										
JPR Labs Private Limited	49.50	0.59					52.25	51.34	49.50	0.59
Broadway Hospitality Private Limited	0.41						51.31	73.72	0.41	
Vetbesta Labs	195.30	434.84							195.30	434.84
Pathkind Innovations Pvt. Ltd.	207.42	39.48							207.42	39.48
	5,645.23	8,704.30	2,261.43	1,605.18			1,386.42	1,144.57	9,293.08	11,454.02
C. Other assets - Advance to vendors										
JPR Labs Private Limited		351.51								351.51
Mankind Specialities		170.32								170.32
Shree Jee Laboratory Private Limited		38.08								38.08
	296.64	521.83							296.64	521.83
D. Other financial assets: Security deposits										
Alankrit Handicrafts Private Limited							108.90	108.90		108.90
Lifestar Pharma Private Limited										
Superba Developers				89.76						89.76
Superba Buildwell (South)				171.81						171.81
Superba Buildwell				180.65						180.65
Prolifone Lifesciences Private Limited	29.04	29.04							29.04	29.04
	97.32	97.32		442.22			108.90	108.90	648.44	648.44



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

iii. Balances outstanding as at the year end

Particulars	Subsidiaries		Associates		Joint ventures		Others		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
E. Financial assets: Loans										
Casablanca Securities Private Limited	-	-	-	-	-	-	-	-	-	2,627.41
Indo Buildwell Private Limited	3,162.11	3,182.11	-	-	-	-	251.30	-	251.30	233.44
Broadway Hospitality Services Private Limited	13,256.07	12,314.04	-	-	-	-	-	-	3,162.11	3,182.11
Jaspack Industries Private Limited	3,586.46	6,680.86	-	-	-	-	-	-	13,256.07	18.56
Shree Jee Laboratory Private Limited	880.46	-	-	-	-	-	-	-	3,586.46	12,314.04
Pavi Buildwell Private Limited	-	-	-	-	-	-	-	-	880.46	6,680.86
JPR Labs Private Limited #	20,885.10	22,195.57	-	-	-	-	251.30	2,860.85	21,136.40	25,056.43
F. Other assets: Advance receivable										
North East Pharma Pack	350.00	-	-	-	-	-	-	-	350.00	-
G. Financial assets: Investments										
Jaspack Industries Private Limited	15,602.00	14,187.00	-	-	-	-	-	-	15,602.00	14,187.00
Mahananda Spa & Resorts Private Limited	17,638.46	12,638.46	-	-	-	-	-	-	17,638.46	12,638.46
Shree Jee Laboratory Private Limited	14,541.05	13,616.05	-	-	-	-	-	-	14,541.05	13,616.05
Medipack Innovations Private Limited	306.00	306.00	-	-	-	-	-	-	306.00	306.00
Lifestar Pharma LLC	12,517.27	11,816.77	-	-	-	-	-	-	12,517.27	11,816.77
Mankind Pharma Pte Limited	19.78	19.78	-	-	-	-	-	-	19.78	19.78
North East Pharma Pack	592.29	691.44	-	-	-	-	-	-	592.29	691.44
Om Sai Pharma Pack	-	-	2,829.99	2,733.52	-	-	-	-	2,829.99	2,733.52
Perita Latex LLP	6,909.59	6,418.18	-	-	-	-	-	-	6,909.59	6,418.18
Superba Buildwell	-	-	-	-	-	-	-	-	1,389.71	1,409.99
Superba Buildwell (South)	-	-	-	-	-	-	-	-	2,762.60	2,759.83
Superba Developers	-	-	-	-	-	-	-	-	1,360.29	1,361.32
Superba Warehousing LLP	722.80	744.37	-	-	-	-	-	-	722.80	744.37
Lifestar-pharma Private Limited	4.25	4.25	-	-	-	-	-	-	4.25	4.25
Magnet Labs Private Limited	348.75	348.75	78.56	78.56	-	-	-	-	348.75	348.75
ANM Pharma Private Limited	-	-	-	-	-	-	-	-	538.48	538.48
Mankind Specialities	538.48	634.80	-	-	-	-	-	-	538.48	634.80
Broadway Hospitality Services Private Limited	551.38	551.38	-	-	-	-	-	-	551.38	551.38
Pavi Buildwell Private Limited	1.00	1.00	-	-	-	-	-	-	1.00	1.00
Proijune Lifesciences Private Limited	1,882.47	1,882.47	-	-	-	-	-	-	1,882.47	1,882.47
Appian Properties Private Limited	19,474.07	19,474.07	-	-	-	-	-	-	19,474.07	19,474.07
Comped Pharmaceuticals Private Limited	19,247.16	19,247.16	-	-	-	-	-	-	19,247.16	19,247.16
Mediforce Healthcare Private Limited	5,779.90	5,779.90	-	-	-	-	-	-	5,779.90	5,779.90
Relax Pharmaceuticals Private Limited	11,321.10	11,321.10	-	-	-	-	-	-	11,321.10	11,321.10
Sirmour Remedies Private Limited	6,176.97	6,176.97	4,383.20	4,383.20	-	-	-	-	6,176.97	6,176.97
JPR Labs Private Limited	134,174.76	125,859.90	7,295.75	7,195.28	5,512.61	5,531.15	-	-	146,979.12	138,586.31
H. Financial assets: Impairment on Investments										
Mahananda Spa & Resorts Private Limited	2,076.50	-	-	-	-	-	-	-	2,076.50	-
Sirmour Remedies Private Limited	2,450.00	201.70	2,502.00	-	-	-	-	-	2,500.00	-
Appian Properties Private Limited	201.70	201.70	-	-	-	-	-	-	2,450.00	-
Mankind Specialities	-	-	800.00	-	-	-	-	-	201.70	201.70
Om Sai Pharma Pack	4,728.30	201.70	3,300.00	-	-	-	-	-	800.00	-
I. Impairment of loan										
Pavi Buildwell Private Limited	3,100.00	-	-	-	-	-	-	-	3,100.00	-
J. Financial guarantees given										
ANM Pharma Private Limited	6,500.00	5,000.00	10,000.00	11,500.00	-	-	-	-	10,000.00	11,500.00
Packtime Innovations Private Limited	1,500.00	1,500.00	-	-	-	-	-	-	6,500.00	5,000.00
Shree Jee Laboratory Private Ltd	3,500.00	3,500.00	-	-	-	-	-	-	1,500.00	1,500.00
JPR Labs Private Ltd	11,500.00	10,000.00	10,000.00	11,500.00	-	-	-	-	3,500.00	3,500.00
K. Trade and Other Payables										
Mankind Biosys Private Limited	-	-	-	-	-	-	-	-	-	1,213.87
	-	-	-	-	-	-	-	-	-	1,213.87



Mankind Pharma Limited
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iv Disclosure required under Section 186 (4) of the Companies Act, 2013.

Particulars of Loans given	March 31, 2020			March 31, 2019		
	Loan given/ repaid	Outstanding Balance	Maximum amount outstanding	Loan given/ repaid	Outstanding Balance	Maximum amount outstanding
Broadway Hospitality Pvt. Ltd	-	3,162.11	3,182.11	-	3,182.11	3,182.11
Pavi Buildwell Pvt. Ltd.	5.00	3,586.46	6,686.46	-	6,680.86	6,680.86
Shree Jee Laboratory Pvt. Ltd	-	13,256.07	13,256.07	-	12,314.04	12,314.04
Jaspak Industries Private Limited	-	-	-	-	18.56	18.56
Casablanca Securities Pvt. Ltd	(2,305.83)	-	2,805.83	-	2,627.41	2,627.41
JPR Labs Private Limited	850.00	880.46	880.46	1,640.11	1,640.11	1,640.11
Indu Buildwel (P) Ltd	-	251.30	251.30	1.80	233.44	233.44
Lifestyle Buildcon Pvt. Ltd.	-	-	-	-	-	41.76
Prakash Infrastructure & Developers Ltd	-	-	-	-	-	245.81

Particulars of Investments	March 31, 2020			March 31, 2019		
	Investments made/ withdrawn	Outstanding Balance	Maximum amount outstanding	Investments made/ withdrawn	Outstanding Balance	Maximum amount outstanding
Jaspak Industries Private Limited	1,415.00	15,602.00	15,602.00	2,931.00	14,187.00	14,187.00
Mahananda Spa & Resorts Private Limited	5,000.00	15,561.85	17,638.46	8,741.35	12,638.46	12,638.46
Shree Jee Laboratory Private Limited	925.00	14,541.05	14,541.05	7,838.28	13,616.05	13,616.05
Medipack Innovations Private Limited	-	306.00	306.00	-	306.00	306.00
Lifestar Pharma LLC	700.50	12,517.27	12,517.27	1,973.52	11,816.77	11,816.77
Mankind Pharma Pte Limited	-	19.73	19.78	-	19.78	19.78
North East Pharma Pack	-	592.29	1,392.29	258.75	691.44	691.44
Om Sai Pharma Pack	-	2,029.99	2,029.99	-	2,733.52	2,733.52
Penta Latex LLP	-	6,909.59	6,909.59	-	6,418.18	6,418.18
Superba Buildwell	(150.00)	1,389.71	1,389.71	5,530.95	1,409.99	1,409.99
Superba Buildwell (South)	(225.00)	2,762.60	2,762.60	(218.09)	2,759.83	2,759.83
Superba Developers	(77.00)	1,360.29	1,360.29	(161.70)	1,361.32	1,361.32
Superba Warehousing LLP	(83.70)	722.80	722.80	41.40	744.37	744.37
Lifestar pharma Private Limited	(35.00)	4.25	4.25	175.00	4.25	4.25
Magnet Labs Private Limited	-	348.75	348.75	-	348.75	348.75
ANM Pharma Private Limited	-	78.56	78.56	-	78.56	78.56
Mankind Specialities	-	336.78	538.48	-	433.10	634.80
Broadway Hospitality Services Private Limited	-	551.38	551.38	-	551.38	551.38
Pavi Buildwell Private Limited	-	1.00	1.00	-	1.00	1.00
Proijune lifesciences Private Limited	-	1,882.47	1,882.47	-	1,882.47	1,882.47
Apjian Properties Private Limited	-	17,024.07	19,474.07	18,474.07	19,474.07	19,474.07
Copmed Pharmaceuticals Private Limited	-	19,247.16	19,247.16	-	19,247.16	19,247.16
Mediforce Healthcare Private Limited	-	5,779.90	5,779.90	-	5,779.90	5,779.90
Relax Pharmaceuticals Private Limited	-	11,321.10	11,321.10	-	11,321.10	11,321.10
Sirmour Remedies Private Limited	-	1,883.20	4,383.20	-	4,383.20	4,383.20
JPR Labs Private Limited	-	6,176.97	6,176.97	5,214.32	6,176.97	6,176.97

Financial guarantees given	March 31, 2020			March 31, 2019		
	Financial guarantees given/ withdrawn	Outstanding Balance	Maximum amount outstanding	Financial guarantees given/ withdrawn	Outstanding Balance	Maximum amount outstanding
ANM Pharma Private Limited	(1,500)	10,000	11,500	-	11,500	11,500
Packtime Innovations Private Limited	1,500	6,500	6,500	-	5,000	5,000
Shree Jee Laboratory Private Limited	-	1,500	1,500	1,500	1,500	1,500
JPR Labs Private Limited	-	3,500	3,500	3,500	3,500	3,500
Lifestar Pharma LLC	-	-	-	(1,951.32)	-	1,951.32



v. Remuneration of KMP*

The remuneration of key management personnel of the Company are set out below in aggregate for each of the categories specified in Ind AS 24 Related Party disclosures:

	Year ended March 31, 2020	Year ended March 31, 2019
Prem Kumar Arora	1,226.45	885.39
Ramesh Chand Juneja	2,326.13	1,673.46
Rajeev Juneja	2,913.36	2,056.07
Sheetal Arora	1,180.30	840.28
Arjun Juneja	853.89	597.05
	8,500.13	6,052.25

*Does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.

Remuneration payable to KMP

	As at March 31, 2020	As at March 31, 2019
Prem Kumar Arora	488.93	43.46
Ramesh Chand Juneja	922.91	87.02
Rajeev Juneja	1,135.53	139.05
Sheetal Arora	474.71	41.26
Arjun Juneja	349.92	30.02
	3,372.01	340.81

41 Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2020 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

	As at March 31, 2020	As at March 31, 2019
(a) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act	4,325.27	5,013.20
(b) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED 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.



42 Financial guarantees

The 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 Company. The Company has designated such guarantees AS "Insurance Contracts". the Company has classified financial guarantees AS contingent liabilities. Accordingly, there are No assets and liabilities recognized in the balance sheet under these contracts."

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	As at March 31, 2020	As at March 31, 2019	
ANM Pharma Private Limited	10,000.00	11,500.00	871.71	1,204.72	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	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	2,249.11	1,417.24	Extending fund based and non fund based credit facilities for capital expenditure and working capital requirement.
Total	21,500.00	21,500.00	3,920.82	2,621.96	



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

43 Interest in other entities

a) Subsidiaries

The Company has following subsidiaries held directly and indirectly by the Company which operate and are incorporated around the world. Following are the details of shareholdings in the subsidiaries :

S No.	Name of Company	Principal activities	Intermediate holding company	Country of Incorporation	% Ownership Interest held by the Company	
					As at March 31, 2020	As at March 31, 2019
1	Lifestar Pharma Private Limited	Trading of pharmaceutical and health care products	Mankind Pharma Limited	India	85.00%	85.00%
2	Magnet Labs Private Limited	Trading of pharmaceutical and health care products	Mankind Pharma Limited	India	92.00%	92.00%
3	Broadway Hospitality Services Private Limited	Hospitality business	Mankind Pharma Limited	India	99.98%	99.98%
4	Shree Jee Laboratory Private Limited	Manufacturing of bulk drugs	Mankind Pharma Limited	India	100.00%	100.00%
5	Prolifune Lifesciences Private Limited	Trading of pharmaceutical and health care products	Mankind Pharma Limited	India	100.00%	100.00%
6	Pavi Buildwell Private Limited	Real estate business	Mankind Pharma Limited	India	51.00%	51.00%
7	Medipack Innovations Private Limited	Manufacturing of packing materials	Mankind Pharma Limited	India	100.00%	100.00%
8	Jaspack Industries Private Limited	Manufacturing of packing materials	Mankind Pharma Limited	India	100.00%	100.00%
9	Mahananda Spa and Resorts Private Limited	Hospitality business	Mankind Pharma Limited	India	100.00%	100.00%
10	Lifestar Pharma LLC	Trading of pharmaceutical and health care products	Mankind Pharma Limited	United States of America	90.00%	90.00%
11	Mankind Pharma Pte Limited	Trading of pharmaceutical and health care products	Mankind Pharma Limited	United States of America	100.00%	100.00%
12	Packtime Innovations Private Limited	Manufacturing of packing materials	Mankind Pharma Limited	Singapore	90.00%	90.00%
13	Mankind Specialities (partnership firm)	Manufacturing of consumer goods	Jaspack Industries Private Limited	India	98.00%	98.00%
14	Appian Properties Private Limited	Investment Company	Mankind Pharma Limited	India	100.00%	100.00%
15	Relax Pharmaceuticals Private Limited	Manufacturing of pharmaceutical and health care products	Mankind Pharma Limited	India	63.00%	63.00%
16	Copmed Pharmaceuticals Private Limited	Manufacturing of pharmaceutical and health care products	Mankind Pharma Limited	India	63.00%	63.00%
17	Vebeesta Labs	Manufacturing of pharmaceutical and health care products	Copmed Pharmaceuticals Private Limited	India	96.00%	96.00%
18	Mediforce Healthcare Private Limited	Manufacturing of pharmaceutical and health care products	Mankind Pharma Limited	India	63.00%	63.00%
19	JPR Labs Private Limited	Manufacturing of bulk drugs	Mankind Pharma Limited	India	100.00%	100.00%
20	Penta Latex LLP	Manufacturing of condoms	Mankind Pharma Limited	India	66.00%	66.00%
21	Pharma Force Labs	Manufacturing of pharmaceutical and health care products	Appian Properties Private Limited	India	63.00%	63.00%
22	Mediforce Research Private Limited ##	Manufacturing of pharmaceutical and health care products	Mediforce Health-care Private Limited	India	98.00%	98.00%
23	Pharmaforce Excipients Private Limited ##	Manufacturing of pharmaceutical and health care products	Appian Properties Private Limited	India	63.00%	63.00%
24	Qualitek Starch Private Limited ##	Manufacturing of pharmaceutical and health care products	Relax Pharmaceuticals Private Limited	India	80.00%	80.00%
25	Superba Warehousing LLP (partnership firm)	Leasing business	Mankind Pharma Limited	India	51.00%	51.00%
26	North East Pharma Pack (partnership firm)	Manufacturing of packing materials	Mankind Pharma Limited	India	57.50%	57.50%
27	Packtime Global Packaging Materials Trading LLC ##	Manufacturing of packing materials	Packtime Innovations Private Limited	Dubai	44.10%	-
28	Lifestar Pharmaceuticals ##	Trading of pharmaceutical and health care products	Mankind Pharma Limited	Nepal	85.00%	-

Entities incorporated during the current year

b) Interest in associates and joint ventures

Set out below are the associates and joint ventures of the Company as at March 31, 2020. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

S No.	Associates	Principal activities	Country of Incorporation	% Ownership Interest held by the Company	
				As at March 31, 2020	As at March 31, 2019
1	ANM Pharma Private Limited	Manufacturing of bulk drugs	India	34.00%	34.00%
2	Om Sai Pharma Pack (partnership firm)	Manufacturing of packing materials	India	20.00%	20.00%
3	Sirmour Remedies Private Limited	Trading of pharmaceutical and health care products	India	40.00%	40.00%

S No.	Joint ventures	Principal activities	Country of Incorporation	% Ownership Interest held by the Company	
				As at March 31, 2020	As at March 31, 2019
1	Superba Buildwell (partnership firm)	Leasing business	India	50.00%	50.00%
2	Superba Developers (partnership firm)	Leasing business	India	60.00%	60.00%
3	Superba Buildwell (South) (partnership firm)	Leasing business	India	70.00%	70.00%



44 Leases

- (i) The Company'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 Company 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 Company 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		(INR in lacs)
	Leasehold Land	Leasehold Building	Total
Balance as at April 1, 2019			
Transition impact on account of adoption of Ind AS 116 "Leases" (refer Note 4)	-	217.89	217.89
Reclassified from property, plant and equipment on account of adoption of Ind AS 116 "Leases" (refer Note 4)	991.10	-	991.10
Reclassified from Earnest money and Security Deposits (refer note below)	-	18.88	18.88
Total Right of Use on the date of transition	991.10	236.77	1,227.87
Additions during the year	-	209.65	209.65
Deletion during the year	-	-	-
Depreciation of Right of use assets (refer note 32)	(12.98)	(83.90)	(96.88)
Balance as at March 31, 2020	978.12	362.52	1,340.64

(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	(INR in lacs)
	Amount
Transition impact on account of adoption of Ind AS 116 "Leases"	217.90
Additions during the year	209.65
Finance cost accrued during the year	23.07
Deletions	-
Payment of lease liabilities	(81.67)
Balance as at March 31, 2020	368.95
Current maturities of Lease liability (refer note 25)	113.26
Non-Current Lease Liability (refer note 25)	255.69
	368.95

(v) The adoption of the new standard has also resulted in decrease in profit before tax and profit for the year by INR 25.30 lacs (Increase in Depreciation expense and finance cost by INR 83.90 lacs and INR 23.07 lacs respectively with corresponding decrease in other expense by INR 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 INR 81.67 lacs each. Total Deferred tax expense and deferred tax liabilities are decreased by INR 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

Not later than one year

Later than one year and not later than five years

Later than five years

	March 31, 2020	March 31, 2019
Not later than one year	139.63	-
Later than one year and not later than five years	275.53	-
Later than five years	-	-

Interest expense

Not later than one year

Later than one year and not later than five years

Later than five years

	March 31, 2020	March 31, 2019
Not later than one year	26.37	-
Later than one year and not later than five years	19.84	-
Later than five years	-	-

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

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

The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets

Interest expense on lease liabilities

Expense relating to short-term leases

Expense relating to low value leases

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation expense of right-of-use assets	96.88	-
Interest expense on lease liabilities	23.07	-
Expense relating to short-term leases	1,727.00	1,833.51
Expense relating to low value leases	-	-
	1,846.95	1,833.51

(x) The difference between the lease obligation recorded, as of March 31, 2019, under Ind AS 17 (disclosed under Note 42 of standalone financial statements) 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.

The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements for the year ended 31 March 2019) to the lease liabilities recognised at 1 April 2019:

Total operating lease commitments disclosed as at 31 March 2019

March 31, 2020

Cancellable period and reasonably certain extension option considered in lease term (Gross Lease liability)

Discounting impact (using incremental borrowing rate)

258.00

(40.11)

Total lease liabilities recognised under Ind AS 116 at 1 April 2019

217.89

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



45 Distributions made

Cash dividends on equity shares declared and paid:

	Year ended March 31, 2020	Year ended March 31, 2019
Dividend for the year ended March 31, 2019 (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	6,182.17	489.36
	36,426.60	2,892.89

Proposed dividend on equity shares not recognised as a liability

	Year ended March 31, 2020	Year ended March 31, 2019
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
	-	21,491.25

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

46 Earnings per equity share

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.

Unit	Year ended March 31, 2020	Year ended March 31, 2019
Net profit after tax from operations	INR lacs 95,822.74	51,403.53
Weighted average number of equity shares outstanding during the year	Number 400,588,440	400,588,440
Nominal Value of Equity Shares	INR 1.00	1.00
Basic earnings per share from operations	INR 23.92	12.83
Diluted earnings per share from operations	INR 23.92	12.83

47 Remittance of dividend to non-resident shareholders in foreign currency:

	Year ended March 31, 2020	Year ended March 31, 2019
Number of shareholders	4.00	4.00
Number of shares held	84,123,583	84,123,583
Dividend remitted (in INR lacs)	6,351.33	504.74
Year to which it relates	2018-19 and 2019-20	2017-18

48 Expenditure on Corporate Social Responsibility

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. The Company has contributed a sum of INR 1,659.72 lacs (March 31, 2019: INR 1,359.30 lacs) towards education and health care services and charged the same to the Statement of Profit And Loss.

Details of CSR Expenditure:

	Year ended March 31, 2020	Year ended March 31, 2019
a) Gross amount required to be spent by the Company during the year	1,931.65	1,837.82

Amount spent during the year ended March 31, 2020 and March 31, 2019 for the purposes other than construction/ acquisition of asset is INR 1,659.72 lacs and INR 1,359.30 lacs respectively and INR 271.94 lacs (Previous year INR 478.53 lacs) remained unpaid at year end.

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

50 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	31 March 2019 (reported)	31 March 2019 (Restated)	Nature
Assets			
Investment properties - current	281.37	-	Reclassification items
Assets held for sale	-	281.37	Reclassification items
Other financial assets			
Security and earnest money deposits - non current	1,168.83	357.98	Reclassification items
Security deposits to related parties - non current	-	648.44	Reclassification items
Security and earnest money deposits - current	6.44	168.86	Reclassification items
Assets & liabilities			
Income tax receivable (net of provisions)	6,013.34	5,749.09	Reclassification items
Balances with Government authorities - non current	186.36	419.93	Reclassification items
Balances with Government authorities - current	9,935.37	8,878.52	Reclassification items
Total outstanding dues of creditors other than micro enterprises and small enterprises	34,775.54	33,688.04	Reclassification items
Trade receivables & Contract liabilities			
Trade receivables	14,977.86	13,926.86	Reclassification items
Contract liabilities	1,572.01	521.01	Reclassification items
Revenue & Other expenses			
Revenue from operations	387,748.88	382,905.88	Reclassification items
Advertising and sales promotion expenses	33,739.96	28,896.96	Reclassification items
Other income			
Other non-operating income	1,263.03	259.03	Reclassification items
Government grant income	143.90	1,147.90	Reclassification items
Expenses			
Employee benefits expense			
Cost of raw material and components consumed	21,631.78	25,451.87	Reclassification items
Consumption of packing materials	3,509.96	-	Reclassification items
Freight cartage and other distribution cost	3,674.73	3,364.60	Reclassification items
Contribution to provident and other fund			
Gratuity expense	3,395.45	2,704.78	Reclassification items
	-	690.67	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.



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

- 51 The Company 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 Company is in the process of updating the documentation for the international transactions 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 transactions covered under transfer pricing regulations 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.
- 52 During the year, the Company has capitalised following preoperative 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 Company.

	Year ended March 31, 2020	Year ended March 31, 2019
Cost of materials consumed	3.61	4.22
Employee benefits expense	221.81	679.43
Other expenses	809.56	804.00
	1,034.98	1,487.64

- 53 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 Company 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 Company 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 Company will continue to closely monitor any material changes to future economic conditions.
- 54 The figures have been rounded off to the nearest lacs of rupees up to two decimal places. The figure 0.00 wherever stated represents value less than INR 500/-.

For S.R. Batliboi & Co. LLP

Chartered Accountants

Firm Reg. no. 301003E/E300008

Nishal Sharma
per **Nishal Sharma**


Partner
Membership No. 096766**For Goel Gaurav & Co.**

Chartered Accountants

Firm Reg. no. 022467C

Gaurav Goel
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
per **Rajeev Juneja**
Chief Executive Officer
and Whole-Time Director
DIN - 0028348

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

Place: New Delhi

Date: 20 August 2020

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

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

Arjun Juneja
per **Arjun Juneja**
Whole-Time Director
DIN - 00704349



