

## indoco remedies limited

INDOCO HOUSE, 166 C. S. T. ROAD, SANTACRUZ (EAST), MUMBAI - 400 098 (INDIA) ● Website : [www.indoco.com](http://www.indoco.com)  
PHONES : (91-22) 6287 1000 / 3386 1250 ● CIN : L85190MH1947PLC005913 ● GSTIN : 27AAACI0380C1Z3

August 1, 2019

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

**Sub: Annual Report 2018-19**

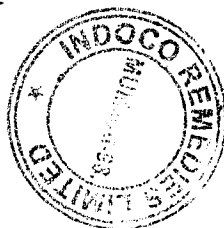
As required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith Annual Report of the Company for the financial year 2018-19 along with Notice of 72<sup>nd</sup> Annual General Meeting (AGM) of the Company which is being despatched to the Members by permitted mode(s).

The Annual Report for the financial year 2018-19 is uploaded on the website of the Company [www.indoco.com](http://www.indoco.com)

We request you to take the Annual Report/AGM Notice on your records.

For Indoco Remedies Limited

  
Jayshankar Menon  
Company Secretary





Constantly Evolving...  
Consistently Excelling



ANNUAL REPORT  
2018 - 2019

## CORPORATE INFORMATION



### BOARD OF DIRECTORS

MR. SURESH G KARE, Chairman  
MS. ADITI PANANDIKAR, Managing Director  
MR. SUNDEEP V BAMBOLKAR, Jt. Managing Director  
MR. DIVAKAR M GAVASKAR, Independent Director  
MR. RAJIV P KAKODKAR, Independent Director  
MR. SHARAD P UPASANI, Independent Director  
DR. ANIL M NAIK, Independent Director  
DR. ANAND M NADKARNI, Non Executive Director



### CHIEF FINANCIAL OFFICER

MR. MANDAR BORKAR



### COMPANY SECRETARY

MR. JAYSHANKAR MENON



### AUDITORS

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



### REGISTRAR & SHARE TRANSFER AGENT

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



### REGISTERED OFFICE

Indoco House,  
166 CST Road, Kalina,  
Santacruz (E), Mumbai 400098  
Tel. No. : +91 22 26541851 - 55  
Fax No. : +91 22 26520787  
Website : [www.indoco.com](http://www.indoco.com)



### BANKERS

Citibank N. A.  
Kotak Mahindra Bank Ltd.  
Saraswat Co-op Bank Ltd.  
HDFC Bank Ltd.  
Standard Chartered Bank  
IDBI Bank Ltd.  
State Bank of India  
DBS Bank Ltd.



### COMPANY IDENTIFICATION NUMBER

CIN:  
L85190MH1947PLC005913



## MESSAGE FROM THE TOP MANAGEMENT



Dear Stakeholders,

The year witnessed upheavals on account of regulatory challenges and market dynamics. Consequently, the revenues of both India business and International business got impacted. This along with increase in the cost of operations, resulted in drop in the bottom line. However, the Company is adopting appropriate strategy to mitigate challenges in both the business segments.

On the positive side, the Company's concentrated efforts have paid off with withdrawal of the warning letter issued to Goa Plant II & III by the USFDA in March 2017 and the inspection classification status being changed from 'Official Action Indicated' (OAI) to 'Voluntary Action Indicated' (VAI). Subsequently, the US Food and Drug Administration (USFDA) conducted another audit at Indoco's sterile manufacturing facility in Verna, Goa (Plant II) from 27th May'19 to 4th June'19, issuing 4 observations (483s). This inspection was a scheduled PAI, i.e., Prior Approval Inspection for Injectable products, filed from this facility. We are hopeful for an early and successful closure of this audit.

The USFDA after its inspection of Goa Plant I (Finished Dosage facility) in January 2019, retained the Official Action Indicated (OAI) status. This however will not have an impact on sales to the US from this facility and the Company is confident of addressing the issues raised by USFDA.

The Company received approval from UKMHRA for its new solid dosage manufacturing facility in Baddi (III), Himachal Pradesh. We are now poised to garner additional business from Europe from the added capacity and licencing-out our own Marketing Authorizations. The Company has set up a 100% subsidiary in the Czech Republic to implement our growth strategy in Europe.

Indoco successfully commissioned its new API manufacturing facility at Patalganga and commercial production from this unit has commenced. The Plant received Certificate of Suitability (CEP) for new manufacturing process of Allopurinol from European Directorate of Quality of Medicine (EDQM) in May 2019, thus paving the way to commence supplies to European Markets from the new API site.

The Management is confident that post the regulatory challenges easing out and with key focus on growing brands in India business, growth in both these business segments will be healthier.

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

Thanking you all,



Suresh G Kare  
Chairman



Aditi Panandikar  
Managing Director



Sundeep V Bambolkar  
Jt. Managing Director

## INDOCO AT A GLANCE

01	<b>INCORPORATED</b> 23 <sup>rd</sup> August, 1947		<b>TURNOVER</b> USD 140 Million	\$	06
02	<b>MANUFACTURING EXCELLENCE</b> 9 Manufacturing Facilities: 6 FDFs, 3 APIs, State-of-the-art R&D Centre		<b>GLOBAL REACH</b> 55 Countries		07
03	<b>PAN INDIA PRESENCE</b> With 9 Marketing Divisions 28 Depots & Branches		<b>REGULATORY APPROVALS</b> USFDA, UK-MHRA, SUKL- Czech Republic, Cofepris - Mexico, TGA-Australia, JAZMP- Slovenia, MCC - South Africa, NDA - Uganda, TFDA-Tanzania, MOH-Ukraine, PPB-Kenya, FDA-Ghana, etc.	✓	08
04	<b>ALLIED SERVICES</b> Analytical Services Clinical Research Organisation		<b>EMPLOYEE STRENGTH</b> 6000		09
05	<b>BUSINESS MODEL</b> Manufacturing and distribution of pharmaceutical products & services in India and overseas		<b>BRANDS RANKING IN TOP 5</b> Sensodent-K, Karvol Plus, Sensoform, Febrex Plus, Sensodent-KF, Cyclopam, ATM, Cital, Cloben G and Oxipod		10

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## INDOCO REMEDIES LIMITED

[CIN: L85190MH1947PLC005913]

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

Tel: 26541851-55 / Fax: 26520787 / email: compliance.officer@indoco.com / Website: www.indoco.com.

### Notice

Notice is hereby given that, the **Seventy Second** Annual General Meeting of the Members of INDOCO REMEDIES LIMITED will be held on **Wednesday, August 28, 2019 at 10.30 a.m.**, at MIG Cricket Club, MIG Colony, Bandra (East), Mumbai 400 051 to transact the following business:

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt;
  - (a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019 and the Reports of the Board of Directors and the Auditors thereon; and
  - (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 and the Report of the Auditors thereon.
2. To declare a dividend on Equity Shares for the year ended March 31, 2019.
3. To appoint a director in place of Dr. Anand M Nadkarni (DIN 06881461), who retires by rotation and being eligible, offers himself for re-appointment.

#### **SPECIAL BUSINESS:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020, be paid a remuneration of ₹ 1,80,000 per annum plus out of pocket expenses plus applicable taxes that may be incurred during the course of audit."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things and take steps as may be necessary, proper or expedient to give effect to this resolution."

Place: Mumbai.

Date: May 29, 2019

By Order of the Board  
**JAYSHANKAR MENON**

*Company Secretary*



#### Notes:

1. The Statement setting out the material facts relating to Special Business at the meeting pursuant to section 102 of the Companies Act, 2013 is annexed hereto.
2. As required by Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a brief profile of Director seeking re-appointment at ensuing Annual General Meeting is given.
3. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company.

A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate, not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

The Instrument appointing the Proxy must be filled, stamped, duly signed and deposited at the Registered Office of the Company, not less than Forty-Eight Hours before the commencement of the Meeting.

In case of joint holders attending the Meeting, joint holder ranked higher in the order of names will be entitled to vote at the meeting.

4. Institutional Members / Corporate Members (i.e. other than Individuals, HUF, NRI, etc.) intending to send their authorised representatives to attend the meeting are requested to send a certified copy of their Board Resolution / Authority Letter or upload it on the e-voting portal, authorizing their representatives to attend and vote on their behalf at the meeting.
5. Members/ Proxies/ Authorized representatives are requested to bring their Attendance Slip while attending the Annual General Meeting.

Members holding shares in demat form are requested to write their DP ID and Client ID and those holding shares in physical form are requested to write their Folio Numbers on the attendance slip for attending the meeting.

6. The Register of Members and Share Transfer Books of the Company shall remain closed from **Monday, August 26, 2019 to Wednesday, August 28, 2019** (both days inclusive) for the purpose of determining the names of members eligible for final dividend on Equity Shares if declared, at the meeting.
7. The route map showing directions to reach the venue of the Annual General Meeting is annexed.
8. The dividend for the year ended March 31, 2019, as recommended by the Board, if declared at the 72nd Annual General Meeting, will be paid from **August 31, 2019**, to those members who hold shares in physical form and whose names appear on the Company's Register of Members as holders of Equity Shares on **August 28, 2019** and in respect of shares held in demat form, to the beneficial owners of the shares as at the close of business hours on **Saturday, August 24, 2019** as per details to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited, the Depositories.
9. Pursuant to Section 124 of the Companies Act, 2013, the Company has transferred on due dates the unpaid or unclaimed dividends for the financial Year **2010-11** (Final dividend) to Investor Education and Protection Fund (the IEPF) established by the Central Government.



Pursuant to provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016, the Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on **September 11, 2018** (date of the last Annual General Meeting) on the website of the Company ([www.indoco.com](http://www.indoco.com)), as also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in))

Dividends for the financial years **2011-2012** and thereafter, which remain unpaid or unclaimed for a period of 7 years from the date they became due for payment, will be transferred by the Company to IEPF. Members who have not yet encashed their dividend warrants for financial year **2011-12** onwards and seek revalidation of their warrants are requested to write to Company / Company's Registrars without any delay.

Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs (MCA) vide its Notification dated 05.09.2016 and as amended on 28.02.2017 (The Rules), the Company has transferred 56,018 shares in the name of Investor Education and Protection Fund (IEPF) Suspense Account in respect of which dividend has not been paid or claimed by the Shareholders for seven consecutive years or more. The Company has uploaded the details of shares so transferred on the website of the Company ([www.indoco.com](http://www.indoco.com)) as also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in))

10. Government of India and Ministry of Corporate Affairs has announced "Green initiative in the Corporate Governance" by permitting the Companies to send the Balance Sheet, Profit & Loss Account, Directors' Report, Auditor's Report etc., to their members through email instead of mailing physical copies.

Members are requested to support the Green Initiative by the Government and get their email addresses registered with their Depository Participants in case of shares held in demat form or with Company / Link Intime India Pvt. Ltd. (Registrars), in case of shares held in physical form.

11. Annual Report copies will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of the Annual Report.
12. Members holding shares in demat (electronic) account are requested to notify changes, if any, in their address, e-mail address, bank mandate etc., to their respective Depository Participants (DP). Members holding shares in physical form are requested to intimate the changes to the Company / Company's Registrars.
13. (a) In order to provide protection against fraudulent encashment of dividend warrants, members who hold shares in physical form are requested to intimate to the Company / Company's Registrars the following information to be incorporated on the dividend warrants duly signed by the sole or first joint holder:
  - (i) Name of the Sole/First joint holder and the Folio Number
  - (ii) Particulars of Bank Account, viz:
    - Name of the Bank
    - Name of the Branch
    - Complete address of the Bank with Pin Code number
    - Account type whether Saving or Current
    - Bank Account Number
    - MICR Code:
    - IFSC Code:

- (b) Members holding shares in demat form may please note that their Bank account details, as furnished by their Depositories to the Company, shall be printed on their Dividend Warrants as per the applicable regulation of the Depositories and the Company shall not entertain any direct request from the members for deletion of or change in Bank account details. Further, instructions, if any, already given by them in respect of shares held in physical form shall not be automatically applicable to shares held in demat form. Members who wish to change their bank details or particulars are requested to contact their Depository Participants.
- (c) To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided facility to the members for remittance through NEFT/RTGS. Members holding shares in physical form and desirous of availing the facility are requested to contact the Company / Company's Registrars.
14. Facility of nomination is now available and members are requested to make use of the same by contacting the Company / Company's Registrars in case of physical holding and DP in case of demat holdings.
  15. For any assistance or information about shares, dividend etc., members may contact the Company / Company's Registrars.
  16. Members are requested to quote their Folio Number / Demat Account Number and contact details such as email address, contact number and complete address in all correspondence with the Company or its Registrars.
  17. Members who hold shares in multiple folios and in identical names are requested to contact the Company / Company's Registrars for consolidating their holdings into a single folio.
  18. Member desirous of getting any information, on the accounts and operations of the Company, may please forward their queries to the Company at least seven days prior to the Meeting so as to enable the Company to provide appropriate response thereto at the Meeting.
  19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are having demat accounts. Members holding shares in physical form are requested to submit PAN details to the Company / Registrar.
  20. All the documents referred to in the accompanying Notice and the explanatory statement shall be open for inspection at the registered office of the Company during business hours except on holidays, up to and including the date of the Annual General Meeting.
  21. Details of Director seeking re-appointment in the Annual General Meeting scheduled on **Wednesday, August 28, 2019** Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Name of Director	<b>Dr. Anand M Nadkarni</b>
Director Identification Number	06881461
Age	60 Years
Date of Birth	December 22, 1958
Date of Appointment	May 28, 2014

Expertise in Specific Functional area	Consultant Psychiatrist / Corporate Trainer and Human Resource Consultant
Qualification	M.B.B.S, M.D. and Diploma in Psychological Medicine.
Terms and conditions of re-appointment	Non-Executive Director, liable to retire by rotation
Details of Remuneration sought to be paid	NIL
Board Membership of other Public Companies as on March 31, 2019	Nil
Chairman / Member of the Committee of the Board of Directors of the Company as on March 31, 2019	Nil
Chairman / Member of the Committee of Directors of the other companies in which he/she is a Director as on March 31, 2019	Nil
a. Audit Committee	Nil
b. Stakeholders Relationship Committee	Nil
c. Other Committees	Nil
Number of Shares held on March 31, 2019	Nil
Disclosure of relationship between director inter-se	NA

## 22. E-Voting:

In compliance with section 108 of the Companies Act, 2013 read with Rule 20 of the Company (Management and Administration) Rule, 2014, the Company has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through **Link Intime India Private Limited (LIPL)** as an alternative, for all members of the Company to enable them to cast their votes electronically, on all the resolutions mentioned in the notice of the **72<sup>nd</sup> Annual General Meeting of the Company, dated May 29, 2019** (the AGM Notice).

The facility for voting through ballot/ polling paper shall also be made available at the venue of the **72<sup>nd</sup> AGM**. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed CS Ajit Sathe proprietor of M/s A.Y. Sathe & Co., Practicing Company Secretary, as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. E-voting is optional. In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Company has fixed **Wednesday August 21, 2019** as the 'Cut-off Date'. The remote e-voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. **August 21, 2019**.

The remote e-voting period begins on Friday August 23, 2019 at 10.00 a.m. (IST) and ends on Tuesday August 27, 2019 at 5.00 p. m (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. August 21, 2019, may cast their votes electronically.

The remote e-voting module shall be disabled by LIPL for voting after 5.00 p.m. (IST) on August 27, 2019.

The instructions for shareholders voting electronically are as under:

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

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

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

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

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



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

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

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

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

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

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

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

◆ **Cast your vote electronically**

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

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

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

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

◆ **General Guidelines for shareholders:**

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

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

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case the shareholders have any queries or issues regarding e-voting, please refer to the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call us :- Tel : 022 - 49186000.

Place: Mumbai.

Date: May 29, 2019

By Order of the Board  
**JAYSHANKAR MENON**

*Company Secretary*

◆ ◆ ◆

## ANNEXURE TO NOTICE

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

#### Item No. 4

The Board on the recommendation of the Audit Committee has approved the appointment and payment of remuneration of ₹ 1,80,000/- plus out of pocket expenses plus Taxes at actuals to M/s. Sevekari, Khare & Associates, Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020.

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

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

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

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

Place: Mumbai.

Date: May 29, 2019

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



## Directors' Report

Dear Members,

Your Directors are pleased to present the **Seventy Second** Annual Report on the business operations, together with the Audited Financial Statements for the Financial Year ended March 31, 2019 and on the state of affairs of the Company.

### Financial Performance

The highlights of the performance of the Company for the year ended March 31, 2019 is summarized below:

(₹ crores)

<i>Particulars</i>	<i>Financial Year ended March 31, 2019</i>	<i>Financial Year ended March 31, 2018</i>
Revenue from Operations (Gross)	967.74	1,041.58
Add: Other Income	6.15	4.79
<b>Total Income</b>	<b>973.89</b>	<b>1,046.37</b>
Profit Before Interest, Depreciation & Tax	82.86	139.65
Less: Finance Cost	20.54	23.51
Less: Depreciation & Amortization	71.56	67.71
<b>Profit / (Loss) Before Tax</b>	<b>(9.24)</b>	<b>48.43</b>
Less: Provision for Taxation		
- Current	-	11.07
- Deferred	(7.19)	(10.06)
- Mat Credit Adjustments	0.79	6.22
<b>Net Profit / (Loss) After Tax</b>	<b>(2.84)</b>	<b>41.20</b>
Add: Other Comprehensive Income	(0.53)	0.23
Balance brought forward	333.64	309.95
<b>Amount available for appropriation</b>	<b>330.27</b>	<b>351.38</b>
<b>Appropriation:</b>		
- Final Dividend Paid	9.21	14.74
- Dividend Tax	1.89	3.00
- Balance carried forward	319.17	333.64

### Results from Operations

The total revenue of the Company amounted to ₹ 973.89 crore as compared to ₹ 1,046.37 crores in the previous year. The Loss before tax was ₹ 9.24 crores as against a profit of ₹ 48.43 crores in the previous year. After providing for Tax/Deferred Tax, the Net Loss amounted to ₹ 2.84 crores as against a profit of ₹ 41.20 crores in the previous year.

Regulatory challenges in International business and slowdown in Domestic business resulted in muted revenue growth for the year. Increase in input costs further added to the woes, which is reflected in drop in PBT and PAT. However, domestic business growth is on the recovery path and International business



is also on a revival mode as our regulatory issues are getting resolved. Our concentrated efforts paid off with withdrawal of the warning letter issued in March 2017 by the USFDA for Goa Plant II and III, which manufactures injectables, ophthalmics and solid dosages. The change in the inspection classification status from 'Official Action Indicated' (OAI) to 'Voluntary Action Indicated' (VAI) signifies that these manufacturing facilities are now cGMP compliant.

The USFDA after its inspection of Goa Plant I (Finished Dosages facility) in January 2019, retained the Official Action Indicated (OAI) status. This will not have an impact on sales to US from this facility and the Company is confident of addressing the issues raised by the USFDA.

The Company has received approval from UKMHRA for its new solid dosages manufacturing facility in Baddi, Himachal Pradesh. The Company is now poised to garner additional business in Europe from its own Dossiers and Marketing Authorizations and has set up a 100% subsidiary in the Czech Republic to implement its growth strategy in Europe.

The Company successfully commissioned its new API manufacturing facility at Patalganga. Commercial production from this unit has commenced from April 2019. The Company received the Certificate of Suitability (CEP) from European Directorate of Quality of Medicine (EDQM) in May 2019, thus paving the way to commence supplies to Regulated Markets from the new site.

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

### **Dividend**

In order to conserve resources, the Board has found it prudent to recommend a lower dividend this year. The Board has recommended a Dividend of 15% (₹ 0.30/- per share) i.e. ₹ 2.76 crores for the year 2018-2019. Dividend for the FY 2017 – 2018 was 50% (₹ 1/- per share) i.e. ₹ 9.21 crores.

The Company has made no transfer to reserves during FY 2018-19.

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

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

### **Share Capital**

The paid-up Equity Share Capital as on March 31, 2019 is ₹ 18,43,00,710. During the year under review, the Company has not issued shares on rights basis or Equity Shares with differential voting rights or granted stock options or sweat equity or bonus shares.

As on March 31, 2019 none of the Directors of the Company held shares of the Company except:

Mr. Suresh G Kare - Chairman

Ms. Aditi Panandikar – Managing Director

Mr. Sundeep V Bambolkar – Jt. Managing Director

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

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

**Finance**

Cash and cash equivalent as on March 31, 2019 was ₹ 20.72 crores. The Company continues to focus on judicious management of its Working Capital. Receivables, Inventories and other working capital parameters were kept under strict check through continuous monitoring.

**Deposits**

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

**Particulars of Loans, Guarantees and Investments**

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

**Credit Rating**

ICRA has reaffirmed the Company's long term borrowings rating as A+ and the short term borrowing rating as A1+.

These ratings are considered to have high degree of safety regarding timely servicing of financial obligations and carry very low credit risk.

**Corporate Social Responsibility (CSR)**

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

As required under Section 135 of the Companies Act, 2013, during the year, the Company undertook CSR initiatives which is mainly focused on promoting education, health and public hygiene. In this connection, the Company during the year under consideration spent an amount of ₹ 43.42 lakhs as against an amount of ₹ 1.60 crores required to be spent. A detailed list of the CSR expenditure made is annexed herewith as **"Annexure B"**. The shortfall is mainly due to the fact that some of the projects sanctioned are taking time for implementation. Hence sanctioned amounts have not been disbursed.

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

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

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

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

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

[http://www.indoco.com/policies/the\\_risk\\_management\\_policy.pdf](http://www.indoco.com/policies/the_risk_management_policy.pdf)

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

The Company has a Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The details of the Policy are explained in the Corporate Governance Report and also posted on the website of the Company. [http://www.indoco.com/policies/whistle\\_blowers\\_policy.pdf](http://www.indoco.com/policies/whistle_blowers_policy.pdf)

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

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

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

During the financial year 2018-19, the Company received NIL complaints on sexual harassment.

### **Subsidiaries**

As on March 31, 2019, the Company has one subsidiary viz Xtend Industrial Designers and Engineers Pvt. Ltd. (XIDEPL).

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

In order to expand its business in the European market, the Company has effective April 9, 2019 set up a 100% subsidiary in the Czech Republic.

Further, pursuant to Section 136 of the Act, the financial statements of the Company consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries are available on the website of the Company – [www.indoco.com](http://www.indoco.com). There have been no material changes in the nature of the business of the subsidiaries during the financial year 2018-2019.

As there was No Business Activity, the following subsidiary has been voluntarily wound up during the year under consideration.

- 100% subsidiary- Indoco Remedies Singapore Pte Ltd.

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

## Consolidated Financial Statements

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

## Directors

During the Year, the Members by way of Postal Ballot, passed a Special resolution approving w.e.f. April 1, 2019, the reappointment of the Independent Directors- Dr. Anil M Naik, Mr. Divakar M Gavaskar, Mr. Rajiv P Kakodkar for a further period of 5 (Five) years and Mr. Sharad P Upasani for a further period of 18 (Eighteen) months.

In terms of provisions of the Section 152(6) of the Companies Act, 2013, Dr. Anand Nadkarni retires by rotation at the forthcoming Annual General Meeting, and being eligible offers himself for re-appointment. The profile of Director seeking reappointment pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is included in the Annual Report.

No Director was appointed or has resigned during the year under consideration.

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

## Board Meetings

During the financial year 2018-2019, 5 (Five) Board Meetings were held and the gap between two Board Meetings did not exceed 120 days. The details of the attendance of Directors at the Board Meetings are mentioned in the report on Corporate Governance annexed hereto.

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

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

## Remuneration Policy

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

1. The Board Affirms that the remuneration paid is as per the Remuneration Policy of the Company.
2. The percentage increase in the remuneration of Company Secretary in the financial year was 12%.
3. The percentage increase in the median remuneration of employees in the financial year was 7.40%.
4. Average percentage increase in salaries of non-managerial employees was 10% as compared to average percentage increase in managerial employees remuneration which was 19%.



5. Number of Permanent employees on the rolls of the Company as on March 31, 2019: 6,002 Nos.
6. The Ratio of the remuneration paid to each Director to the median remuneration of the employees of the Company during the year under consideration:

<i>Name of Director</i>	<i>Remuneration Paid (₹)</i>	<i>Median Remuneration (₹)</i>	<i>Ratio</i>
Mr. Suresh G Kare (Chairman)	1,94,40,000	2,52,804	1:77
Ms. Aditi Panandikar (Managing Director)	1,65,98,788	2,52,804	1:66
Mr. Sundeep V Bambolkar (Jt. Managing Director)	1,50,31,900	2,52,804	1:59
Dr. Anil M Naik (Independent Director)	5,20,000	2,52,804	1:2.06
Mr. Sharad P Upasani (Independent Director)	4,80,000	2,52,804	1:1.90
Mr. Rajiv P Kakodkar (Independent Director)	4,60,000	2,52,804	1:1.82
Mr. Divakar M Gavaskar (Independent Director)	4,40,000	2,52,804	1:1.74
Dr. Anand M Nadkarni (Non Executive Director)	2,00,000	2,52,804	1:0.79

#### **Directors' Responsibility Statement**

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

- i. that in the preparation of annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- ii. that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the annual accounts have been prepared on a 'going concern' basis;
- v. that the company has laid down internal financial controls and such internal financial controls are adequate and operating effectively;
- vi. that proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively;

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

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

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

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

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

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

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

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

### **Compliance with Secretarial Standards**

During FY 2018-2019, the Company has complied with applicable standards issued by the Institute of the Company Secretaries of India.

### **Statutory Auditors**

In terms of provisions of Section 139(1) of the Companies Act, 2013, M/s. Gokhale & Sathe, a Firm of Chartered Accountants, bearing Firm Registration No. 103264W have been appointed as the Statutory Auditors of the Company at the 70<sup>th</sup> Annual General Meeting of the members of the Company held on 09.08.2017 to hold office for a period of 5 years till the conclusion of the 75<sup>th</sup> AGM of the Company.

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

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

The Auditors' Report issued by M/s. Gokhale & Sathe, the Statutory Auditory, for the FY 2018-19 does not contain any qualification, reservation, adverse remark or disclaimer.

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

There have been no instances of fraud reported by above-mentioned Auditors under Section 143(12) of the Act and Rules framed thereunder, either to the Company or to the Central Government during FY 2018-19.

**Cost Auditors**

As per requirements of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records and accordingly, such accounts are made and records have been maintained in respect of the applicable products for the year ended 31.03.2019

The Company has appointed M/s Sevekari Khare & Associates (Firm Registration No. 000084) to get the audit of the cost records done for FY 2018-2019. They would be required to submit the reports by September 29, 2019.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to M/s Sevekari Khare & Associates, Cost Auditors for FY 2019-2020 is included at Item No. 4 of the Notice convening the Annual General Meeting.

**Secretarial Audit**

The Secretarial Audit was carried out by M/s A Y Sathe & Co., Company Secretaries in Practice (Registration No.: FCS 2899/COP 738) for the financial year 2018-2019. The Report given by the Secretarial Auditors is annexed as "**Annexure E**" and forms integral part of this Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Secretarial Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

In terms of Section 204 of the Companies Act, 2013, on the recommendation of the Audit Committee, the Board of Directors has appointed CS Ajit Sathe- Proprietor of M/s A Y Sathe & Co., Company Secretaries in Practice (Registration No.: FCS 2899/COP 738) to undertake the Secretarial Audit of the Company for the FY 2019-2020.

**Corporate Governance**

We comply with the SEBI's guidelines on Corporate Governance. We have documented our internal policies on Corporate Governance. Several aspects of the Act, such as the Whistle-blower Policy and Code of Conduct and Ethics, have been incorporated into our policies. Our Corporate Governance report for fiscal 2018-2019, forms part of this Annual Report. The Report is duly certified by the Statutory Auditors of the Company whose certificate is also annexed.

**Extract of the Annual Return**

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

### Particulars of Employees:

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

### Employees Relations

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

### Business Responsibility Report

As mandated by the Securities and Exchange Board of India (SEBI), the Business Responsibility Report of the Company for the year ended March 31, 2019 is annexed as "**Annexure G**" and forms integral part of this Report.

### Acknowledgement

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

### Cautionary Statement

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

For and on behalf of the Board of Directors

**SURESH G KARE**

*Chairman*

DIN: 00179220

Place : Mumbai  
Date : May 29, 2019

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

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

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

- (a) Steps Taken or impact of conservation of energy during 2018-2019
  1. Replacement of Reciprocating and Vapor absorption chiller to screw chiller to save electricity and maintenance cost.
  2. Installation of LED lamps in major departments to save Electricity.
  3. Implementation of pressure impedance balancing control valve to all air handling systems to control chilled water and utility.
  4. Installation of SCADA for temperature and humidity control in all warehouse, which control, the consumption of utility.
  5. Installation of sophisticated Demineralized plant to reduce chemical cost and conservation of water.
- (b) Steps taken by the Company for utilizing alternative sources of energy.

Feasibility study undertaken for

  1. Installation of multiple-effect evaporation plant to save water.
  2. Old reciprocating air compressor to be replaced by efficient screw air compressor.
  3. Rain harvesting proposal to save water.
  4. Installation of solar system to generate electricity for plant lightening purpose.
- (c) The Capital investment on energy conservation equipment: ₹ 3.00 Crores
- (d) Total energy consumption and energy consumption per unit of production:

## FORM A

### 1. Power and Fuel Consumption

Particulars	Current year	Previous Year
1) Electricity		
a) Purchased Units (in lakhs)	331.48	319.26
Total Amount (₹ lakhs)	2,315.46	2,162.61
Rate/Unit (₹)	6.99	6.77
b) Own generation		
i) Through diesel generator		
Units (KWH'000)	1,413.28	1,334.42
Units per litre of diesel oil (KWH)	3.11	3.06
Rate/Unit (₹)	21.24	18.22
ii) Through steam turbine/generator		
Units	Nil	Nil
Units per litre of fuel oil/gas	Nil	Nil
Cost/Unit (₹)	Nil	Nil
2) Coal	Nil	Nil
Qty		
Total cost		
Average rate (₹)		
3) Furnace Oil		
Qty (Kilo litres)	718.35	591.44
Total Amount (₹ lakhs)	297.34	182.88
Average rate (₹)	41.39	30.92
4) Others/internal generation (briquettes, cashew seeds etc.)		
Quantity	Nil	Nil
Total Cost (₹ lakhs)	223.05	208.13
Rate/Unit	Nil	Nil

### 2. Consumption per unit of production

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

## B) TECHNOLOGY ABSORPTION

Efforts made in Technology absorption:

### FORM B

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

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

Indoco's R&D Centre, located at Rabale, Navi Mumbai has a highly skilled team of around 300 scientists involved in the research and development of Active Pharmaceutical Ingredients(API), as well as Finished Dosage forms like tablets, capsules, ophthalmics, injectables, oral solutions, suspensions as well as topicals. The state-of-the-art infrastructure is equipped with latest and sophisticated analytical instrumentation and software. Several studies on Extractable and Leachable for injectable as well as for ophthalmics are undertaken in this facility. Studies on Elemental impurities, as per ICH Q3D, which is now mandatory for regulatory submissions are also performed using advanced instrumentation. Identification of unknown impurities and its characterization is also routinely performed in the analytical laboratory. The Formulations Research Centre is currently involved in development of several injectable and complex ophthalmic suspensions involving bio waiver strategies. Regulatory submissions are done in highly regulated as well as semi-regulated countries. The Company has successfully developed bio-equivalent product for an anti-malarial combination product with very high in-vivo variability and has several more anti-malarial products under development.

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

2. Benefits derived as a result of above efforts are

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

	<i>Granted Patents</i>	<i>Patent Application</i>
Formulation	7	21
API	21	67
Total	28	88

3. Future plan of action

Development of non-infringing API manufacturing processes, patentable Novel Drug Delivery System (NDDS) formulations, filing Para IV and 505(b)2 applications using new technology platforms. Developing an expertise in the analytical methods development for offering value added services for Isolation and Characterization of Impurities, Extractables, Leachables, Polymorphism and Lyophilization study.

4. Expenditure on R & D:

Sr. No.	Particulars	Current Year ₹ Crores	Previous Year ₹ Crores
1.	Capital	1.55	2.91
2.	Recurring	51.52	53.49
3.	Total	53.07	56.40
4.	Total R&D expenditure as a % of total Gross Sales (Net of Returns)	5.60%	5.50%

**Technology absorption, adaptation and innovation:**

1. During the year the following processes were successfully implemented:

- a. **Allopurinol:** Manufacturing process is successfully scaled up to 1000 kg from 350 kg in new manufacturing facility with higher capacity of equipment. Cost efficiency of the process is improved with the introduction of quality compliant recovered material in the process.
- b. **Neostigmine Methylsulphate:** Cost effective development is done for in-house manufacturing of starting material. This will significantly reduce the cost of the API and eliminate the dependency on Chinese vendor.
- c. **Cetirizine Dihydrochloride:** Process development and bench scale validation is completed. Technology is ready for transfer to plant scale.
- d. **Amiodarone Hydrochloride:** Process development and bench scale validation is completed. Technology is ready for transfer to plant scale.

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

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

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

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

- (b) Total foreign exchange earnings and outgo:

<i>Sr. No.</i>	<i>Particulars</i>	<i>Current Year (₹ crores)</i>	<i>Previous Year (₹ crores)</i>
1.	Total foreign exchange earned	285.82	383.96
2.	Total foreign exchange outgo	108.51	107.88

For and on behalf of the Board of Directors

**SURESH G KARE**

*Chairman*

DIN: 00179220

Place : Mumbai  
Date : May 29, 2019



## Annexure-B to the Directors' Report

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

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

#### CSR Policy is stated herein below:

The detailed policy is available on the Company Website at: <http://www.indoco.com/csr-policy.asp>

#### Composition of the CSR Committee:

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

**Average net profit of the Company for last three financial years: ₹ 79.68 crores**

#### Prescribed CSR Expenditure

**Total CSR Expenditure for FY 2018-2019 ₹ 1.60 crores**

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

A	Total amount spent for the financial year:	₹ 0.43 crores
B	Amount unspent, if any:	₹ 1.17 crores

**In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's Report:**

The shortfall is mainly due to the fact that some of the projects sanctioned are taking time for completion and hence entire amount on those Projects has not been spent.

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

Project / Activities	Sector	Location	Amount Budgeted	Amount Spent	Cumulative Spent	Amount Spent Direct or through Implementing Agency
			₹ in Lakhs			
Muskan Foundation for People with Multiple Disabilities	Promoting Education	Mumbai	1.79	1.81	1.81	Direct
IMA Project Ponda	Preventive Healthcare	Goa	10.00	10.00	10.00	Direct
Bharati Vidyapeth Dental College	Promoting Education	Sangli	1.00	1.00	1.00	Direct
IPH Learning Centre	Preventive Healthcare	Thane	2.00	2.00	2.00	Direct
Majalgaon Vikas Pratishthan	Promoting Education	Beed	3.08	3.08	3.08	Direct



Project / Activities	Sector	Location	Amount Budgeted	Amount Spent	Cumulative Spent	Amount Spent Direct or through Implementing Agency
			₹ in Lakhs			
Advitya Kala Sangam Trust	Promoting & Development of Traditional Arts	Mumbai	0.10	0.10	0.10	Direct
Otto Bock Healthcare Pvt. Ltd.	Preventive Healthcare	Goa	1.95	1.95	1.95	Direct
Guild of Services, Bombay	Promoting Education	Mumbai	1.00	1.00	1.00	Direct
Vidya Vikas Mandal	Promoting Education	Goa	5.00	5.00	5.00	Direct
National Apprenticeship Promotion Scheme (NAPS) 1961	Employment enhancing vocational skills	Goa / Patalganga	18.00	17.48	17.48	Direct
Total:			43.92	43.42	43.42	

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

**SURESH G KARE**

*Chairman*

Place: Mumbai

Date: May 29, 2019

**ADITI PANANDIKAR**

*Chairperson of CSR Committee*



## Annexure C to the Directors' Report

Form No. AOC-1

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

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

### Part "A" : Subsidiaries

<b>CIN</b>	<b>U93000MH1995PTC086174</b>
Name of the Subsidiary	Xtend Industrial Designers and Engineers Pvt. Ltd
Reporting period for the subsidiary	April 01, 2018 to March 31, 2019
Reporting Currency	INR (₹) (in Lakhs)
Equity Share Capital	202.70
Reserves and Surplus	(6.88)
Total Assets	281.87
Total Liabilities	281.87
Investments	Nil
Turnover	71.81
Profit / (Loss) before Taxation	(6.86)
Less: Provision for Taxation (Net)	(0.58)
Profit/(Loss) after Taxation	(6.28)
Proposed Dividend	0
% of shareholding	100%

Notes:

- Reporting period of the subsidiary is the same as that of the Company
- Names of subsidiaries which are yet to commence operations: NIL
- Names of subsidiaries which have been liquidated or sold during the year: **Indoco Remedies Singapore Pte Ltd**
- Part B of the Annexure** is not applicable as there are no Associate Companies/Joint Ventures of the Company as on March 31, 2019

For and on behalf of the Board of Directors

**SURESH G KARE**

*Chairman*

DIN: 00179220

Place : Mumbai  
Date : May 29, 2019



## Annexure-D to the Directors' Report

### Form No. AOC-2

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

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

- Details of contracts or arrangements or transactions not at arm's length basis:

**The Company has not entered into any transaction which is not on arms length basis.**

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

Name of the party with which contract is entered into	Principal terms and conditions			Date of Approval	Amount paid as Advance
			₹		
Suresh G Kare (HUF)	Godown Rent	Yearly	3,00,000	07-03-2018	NIL
A K Services	Commission & Brokerage	Yearly	79,23,131	07-03-2018	NIL
A K Services	Godown Rent	Yearly	3,54,000	07-03-2018	NIL
A K Services	Export Godown Operating Expenses	Yearly	21,24,000	07-03-2018	NIL
A K Services	Interest on Security Deposit	Yearly	70,000	07-03-2018	NIL
Xtend Industrial Designers & Engineers Pvt. Ltd.	Consultancy Charges	Yearly	1,94,60,137	07-03-2018	NIL
Xtend Industrial Designers & Engineers Pvt. Ltd.	Interest on Loan	Yearly	1,26,915	07-03-2018	NIL
Indoco Singapore Pte Ltd	Subscription to share capital	One time	10,24,650	07-03-2018	NIL
Indoco Remedies Czech sro	Subscription to share capital	One time	90,026	13-08-2018	NIL

For and on behalf of the Board of Directors

**SURESH G KARE**  
*Chairman*  
DIN: 00179220

Place : Mumbai  
Date : May 29, 2019



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

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019**

*[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]*

To

**The Members**

**Indoco Remedies Limited**

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2019** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and By-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) **The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):**
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **[Not Applicable as the Company has not issued any further capital under the regulations during the financial year under review];**
- (d) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during the Audit Period);**
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **[Not Applicable as the Company has not issued and listed any debt securities during the financial year under review];**
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **[Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review];**
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **[Not applicable as the Company has not delisted/ proposed to delist its equity shares from any Stock Exchange during the financial year under review];** and
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **[Not applicable as the Company has not bought back/ proposed to buy-back any of its securities during the financial year under review];**
- (vi) The Management has identified and confirmed the following laws as specifically applicable to the Company:
  - a) Drugs and Cosmetics Act, 1940.
  - b) Narcotic Drugs and Psychotropic Substances Act, 1985.
  - c) Petroleum Act, 1934.
  - d) The Medical & Toilet Preparations (Excise Duties) Act, 1955.
  - e) The Indian Boilers Act, 1923.

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

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

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

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

#### **I further report that -**

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

**I further report that,**

During the audit period, there were no instances like:

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

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

*Company Secretaries*

**CS Ajit Sathe**

*(Proprietor)*

FCS No.2899

COP No. 738

Date : May 27, 2019

Place : Mumbai

◆ ◆ ◆



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

**To,  
The Members  
Indoco Remedies Limited**

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

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

FCS No.2899  
COP No. 738

Date : May 27, 2019  
Place : Mumbai



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

**Extract of Annual Return**

**As on the financial year ended on March 31, 2019**

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

**FORM MGT-9**

**I. REGISTRATION AND OTHER DETAILS:**

i	CIN	L85190MH1947PLC005913
ii	Registration Date	August 23, 1947
iii	Name of the Company	Indoco Remedies Limited
iv	Category/sub Category of Company	Company Limited by shares/ Non-govt. Company
v	Address of the Registered Office and contact Details	Indoco House, 166 CST Road, Vidyanagari Marg, Kalina, Santacruz East, Mumbai 400098 Mr. Jayshankar Menon - Company Secretary. Email: <a href="mailto:compliance.officer@indoco.com">compliance.officer@indoco.com</a> Tel: 022 26541851-55 Website: <a href="http://www.indoco.com">www.indoco.com</a>
vi	Whether Listed Company	Yes
vii	Name. Address and contact details of Registrar and Transfer Agent	Link Intime India Pvt. Ltd Unit: Indoco Remedies Limited, C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai 400083 Tel: 022-49186270 Email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>

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

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

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

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

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

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

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

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	19871714	–	19871714	21.56	19871714	–	19871714	21.56	–
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp	15771755	–	15771755	17.12	15771755	–	15771755	17.12	–
e) Banks/Fl									
f) Any Other (PAC)	18602277	–	18602277	20.19	18426477	–	18426477	20.00	(0.19)
<b>Sub-Total (A)(1)</b>	<b>54245746</b>	<b>–</b>	<b>54245746</b>	<b>58.87</b>	<b>54069946</b>	<b>–</b>	<b>54069946</b>	<b>58.68</b>	<b>(0.19)</b>
<b>(2) Foreign</b>									
a) NRIs- Individuals									
b) Other – Individuals									
c) Bodies Corp									
d) Banks/Fl									
e) Any Other									
<b>Sub-total</b>									
<b>Sub-Total (A)(2)</b>									
<b>Total Shareholding of Promoter (A)= (A)(1) + (A)(2)</b>	<b>54245746</b>	<b>–</b>	<b>54245746</b>	<b>58.87</b>	<b>54069946</b>	<b>–</b>	<b>54069946</b>	<b>58.68</b>	<b>(0.19)</b>
<b>Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	9134709	–	9134709	9.91	11722760	–	11722760	12.72	2.81
b) Venture Capital Funds									
c) Alternate Investment Funds	1957230	–	1957230	2.12	1864815	–	1864815	2.02	(0.10)
d) Foreign Venture Capital Investors									
e) Foreign Portfolio Investors	4107846	–	4107846	4.46	1950735	–	1950735	2.12	(2.34)
f) Financial Institutions / Banks	51828	–	51828	0.06	24895	–	24895	0.03	(0.03)
g) Insurance Companies									
h) Provident Funds / Pension Funds									
i) Any Other									
<b>Sub-total (B) (1)</b>	<b>15251613</b>	<b>–</b>	<b>15251613</b>	<b>16.55</b>	<b>15563205</b>	<b>–</b>	<b>15563205</b>	<b>16.89</b>	<b>0.34</b>

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Central Government/ State Government</b>									
<b>Sub-total (B) (2)</b>	—	—	—	—	—	—	—	—	—
<b>3. Non Institutional</b>									
<b>a) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	7822974	797895	8620869	9.35	7989406	742583	8731989	9.48	0.12
ii) Individuals shareholders holding nominal share capital in excess of ₹ 2 lakh	8821056	604725	9425781	10.23	8386120	604725	8990845	9.76	(0.47)
b) NBFC registered with RBI	—	—	—	—	113534	—	113534	0.12	0.12
c) Employee Trust									
d) Overseas Depositories									
<b>e) Others (specify)</b>									
a) HUF	304720	—	304720	0.33	601402	—	601402	0.65	0.32
b) Non Resident Indians	240918	—	240918	0.26	1166056	—	1166056	1.27	1.00
c) Clearing Member	466167	—	466167	0.51	439619	—	439619	0.48	(0.03)
d) Investor Protection and Education Fund	56018	—	56018	0.06	56018	—	56018	0.06	—
e) Bodies Corporate	3538523	—	3538523	3.84	2417741	—	2417741	2.62	(1.22)
<b>Sub total (B)(3)</b>	<b>21250376</b>	<b>1402620</b>	<b>22652996</b>	<b>24.58</b>	<b>21169896</b>	<b>1347308</b>	<b>22517204</b>	<b>24.44</b>	<b>(0.15)</b>
<b>Total Public shareholding (B)= (B)(1) + (B)(2) + (B)(3)</b>	<b>36501989</b>	<b>1402620</b>	<b>37904609</b>	<b>41.13</b>	<b>36733101</b>	<b>1347308</b>	<b>38080409</b>	<b>41.32</b>	<b>0.19</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	—	—	—	—	—	—	—	—	—
<b>Grand Total (A+B)</b>	<b>90747735</b>	<b>1402620</b>	<b>92150355</b>	<b>100.00</b>	<b>90803047</b>	<b>1347308</b>	<b>92150355</b>	<b>100.00</b>	

## ii) Shareholding of Promoters & Promoter Group

Sl. No	Shareholder's name	Shareholding at the beginning of the year 01.04.2018			Shareholding at the end of the year 31.03.2019			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	Suresh G Kare	4060408	4.41	Nil	4060408	4.41	Nil	Nil
2	Suresh G Kare (HUF)	273500	0.30	Nil	273500	0.30	Nil	Nil
3	Aruna S Kare	4794714	5.20	Nil	4794714	5.20	Nil	Nil
4	Aditi Panandikar	5559013	6.03	Nil	5559013	6.03	Nil	Nil
5	Madhura A Ramani	5184079	5.63	Nil	5184079	5.63	Nil	Nil
6	Shanteri Investment Pvt. Ltd	15771755	17.12	Nil	15771755	17.12	Nil	Nil
7	SPA Holdings Pvt. Ltd	18335000	19.90	Nil	18335000	19.90	Nil	Nil

Sl. No	Shareholder's name	Shareholding at the beginning of the year 01.04.2018			Shareholding at the end of the year 31.03.2019			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
8	Sharda R Kare	32500	0.04	Nil	32500	0.04	Nil	–
9	Milind S Panandikar	7500	0.01	Nil	7500	0.01	Nil	–
10	Sudha M Pai	10727	0.01	Nil	10727	0.01	Nil	–
11	Pratima Ajit Vaidya	26550	0.03	Nil	26550	0.03	Nil	–
12	Mahika M Panandikar	6100	0.007	Nil	6100	0.007	Nil	–
13	Rohan Anup Ramani	6100	0.007	Nil	6100	0.007	Nil	–
14	Ramnath G Kare	33800	0.04	Nil	2000	0.002	Nil	(0.03)
15	Laxmi V Bambolkar	144000	0.16	Nil	0	–	Nil	(0.16)
	<b>Total:</b>	<b>54245746</b>	<b>58.87</b>	<b>Nil</b>	<b>54069946</b>	<b>58.68</b>	<b>Nil</b>	<b>(0.19)</b>

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

Sl. No	Shareholder's name	Share holding at the beginning of the year		Date	Increase / (Decrease) in shareholding	Reason	Share holding at the end of the year	
		No. of shares	% of total shares of the Company				No of shares	% of total shares of the Company
1	Suresh G Kare	4060408	4.41			No change	4060408	4.41
2	Suresh G Kare (HUF)	273500	0.30			No change	273500	0.30
3	Aruna S Kare	4794714	5.20			No change	4794714	5.20
4	Aditi Panandikar	5559013	6.03			No change	5559013	6.03
5	Madhura Ramani	5184079	5.63			No change	5184079	5.63
6	Shanteri Investment Pvt. Ltd	15771755	17.12			No change	15771755	17.12
7	SPA Holdings Pvt. Ltd	18335000	19.90			No change	18335000	19.90
8	Sharada R Kare	32500	0.03	06-07-2018	31800	Transfer	64300	
				19-10-2018	(31800)	Transfer	32500	0.03
9	Pratima A Vaidya	26550	0.03			No change	26550	0.03
10	Sudha M Pai	10727	0.01			No change	10727	0.01
11	Milind S Panandikar	7500	0.01			No change	7500	0.01
12	Mahika A Panandikar	6100	0.007			No change	6100	0.007
13	Rohan Anup Ramani	6100	0.007			No change	6100	0.007
14	Ramnath G Kare	33800	0.03	06-07-2018	(31800)	Transfer	2000	0.00
15	Laxmi V Bambolkar	144000	0.16		(144000)	Transmission	0	0.00
	<b>Total:</b>	<b>54245746</b>	<b>58.87</b>		<b>(175800)</b>		<b>54069946</b>	<b>58.68</b>

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

Sl. No	Shareholder's name	Share holding at the beginning of the year		Date	Increase / (Decrease) in shareholding	Reason	Share holding at the end of the year	
		No. of shares	% of total shares of the Company				No of shares	% of total shares of the Company
1	Reliance Capital Trustee Ltd A/C Reliance Small Cap Fund	0	–	13-07-2018	366172	Purchase	366172	0.40
				27-07-2018	985947	Purchase	1352119	1.47
				03-08-2018	938031	Purchase	2290150	2.49
				17-08-2018	201000	Purchase	2491150	2.70
				05-10-2018	16894	Purchase	2508044	2.72
2	Reliance Capital Trustee Ltd A/C Reliance Growth Fund	2340991	2.54	30-11-2018	(40461)	Sale	2300530	2.50
3	HDFC Capital Trustee Ltd A/C HDFC Capital Builder Value Fund	591732	0.64	06-07-2018	500000	Purchase	1091732	1.18
				27-07-2018	350000	Purchase	1441732	1.56
				29-09-2018	52308	Purchase	1494040	1.62
				05-10-2018	275233	Purchase	1769273	1.92
				19-10-2018	1918	Purchase	1771191	1.92
				26-10-2018	4229	Purchase	1775420	1.93
				02-11-2018	190000	Purchase	1965420	2.13
				01-02-2019	5300	Purchase	1970720	2.14
				22-02-2019	11100	Purchase	1981820	2.15
				29-03-2019	10449	Purchase	1992269	2.16
4	DSP Blackrock AIF Pharma Fund	1711101	1.86	06-04-2018	23445	Purchase	1734546	1.88
				27-04-2018	105380	Purchase	1839926	2.00
5	IDFC Core Equity Fund	742941	0.81	20-04-2018	74294	Purchase	817235	0.89
				13-07-2018	728500	Purchase	1545735	1.68
				12-10-2018	16247	Purchase	1561982	1.70
				25-01-2019	13967	Purchase	1575949	1.71
				01-02-2019	23569	Purchase	1599518	1.74
6	ICICI Prudential Pharma Healthcare and Diagnostics (P. H. D.) Fund	–	–	31-08-2018	21862	Purchase	21862	0.02
				07-09-2018	190672	Purchase	212534	0.23
				14-09-2018	83650	Purchase	296184	0.32
				21-09-2018	245178	Purchase	541362	0.59
				29-09-2018	105746	Purchase	647108	0.70
				05-10-2018	236802	Purchase	883910	0.96
				12-10-2018	4376	Purchase	888286	0.96
				19-10-2018	559	Purchase	888845	0.96
				26-10-2018	60867	Purchase	949712	1.03
				02-11-2018	9775	Purchase	959487	1.04
				23-11-2018	2881	Purchase	962368	1.04



Sl. No	Shareholder's name	Share holding at the beginning of the year		Date	Increase / (Decrease) in shareholding	Reason	Share holding at the end of the year	
		No. of shares	% of total shares of the Company				No of shares	% of total shares of the Company
				18-01-2019	175802	Purchase	1138170	1.24
				25-01-2019	24198	Purchase	1162368	1.26
				01-02-2019	160576	Purchase	1322944	1.44
				08-02-2019	23841	Purchase	1346785	1.46
				15-02-2019	12189	Purchase	1358974	1.47
				22-02-2019	30721	Purchase	1389695	1.51
				01-03-2019	9349	Purchase	1399044	1.52
				15-03-2019	32006	Purchase	1431050	1.55
				22-03-2019	28639	Purchase	1459689	1.58
				29-03-2019	32143	Purchase	1491832	1.62
7	Ashish Agarwal	1392281	1.51	07-12-2018	41800	Purchase	1434081	1.56
				14-12-2018	31700	Purchase	1465781	1.59
8	Mangeshi Investment Pvt. Ltd	1167300	1.27	No change			1167300	1.27
9	Reliance Capital Trustee Ltd A/C Reliance Pharma Fund	–	–	21-12-2018	1035210	Purchase	1035210	1.12
10	Amal N Parikh	–	–	15-06-2018	800000	Purchase	800000	0.87

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

Sl. No	For Each of the Directors/KMP	Share holding at the beginning of the year		Cumulative share holding during the year	
		No. of shares	% of total shares of the Co.	No of shares	% of total shares of the Co.
Directors					
1	Mr. Suresh G Kare - Chairman				
	At the beginning of the Year	4060408	4.41		
	At the end of the year			4060408	4.41
2	Ms. Aditi Panandikar - Managing Director				
	At the beginning of the Year	5559013	6.03		
	At the end of the year			5559013	6.03
3	Mr. Sundeep V Bambolkar - Jt. Managing Director				
	At the beginning of the Year	465000	0.50		
	At the end of the year			465000	0.50
KMP					
1	Mr. Mandar Borkar - CFO				
	At the beginning of the Year	337	0.00		
	At the end of the year			337	0.00
2	Mr. Jayshankar Menon - Company Secretary				
	At the beginning of the Year	NIL	NIL		
	At the end of the year			NIL	NIL

## V. INDEBTEDNESS

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

(₹ Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount Working Capital Term Loan	4,787.56 17,206.70	6,166.72 –		10,954.28 17,206.70
ii) Interest due but not paid				
iii) Interest accrued but not due	81.11	–		81.11
<b>Total (i+ii+iii)</b>	<b>22,075.37</b>	<b>6,166.72</b>		<b>28,242.09</b>
<b>Change in Indebtedness during the financial year</b>				
• Additional	8,756.46	18,426.56		27,183.02
• Reduction	8,490.21	17,266.72		27,756.93
<b>Net Change</b>	<b>266.25</b>	<b>1,159.84</b>		<b>1,426.10</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount Working Capital Term Loan	3,969.41 18,291.40	7,326.56 –		11,295.97 18,291.40
ii) Interest due but not paid				
iii) Interest accrued but not due	162.11	–		162.11
<b>Total : (i+ii+iii)</b>	<b>22,422.92</b>	<b>7,326.56</b>		<b>29,749.48</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ Lakhs)

Sl. No	Particulars of Remuneration	Chairman	Managing Director	Jt. Managing Director	Total Amount
		Mr. Suresh G Kare	Ms. Aditi Panandikar	Mr. Sundeep V Bambolkar	
1	Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	180.00	131.52	119.14	430.66
	Value of perquisites u/s 17(2) Income Tax Act, 1961		2.50	2.50	5.00
	Profits in lieu of salary under section 17(3) Income Tax Act, 1961	–	–	–	–
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission/Incentive				
5.	Others, please specify - PF & Super Annuation	14.40	31.97	28.67	75.04
	<b>Total (A)</b>	<b>194.40</b>	<b>165.99</b>	<b>150.31</b>	<b>510.70</b>

Note:

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

## B. Remuneration to other directors:

(₹ Lakhs)

Sl. No	Particulars of Remuneration	Name of Directors					Total Amount
		Dr. Anil M Naik	Mr. Sharad P Upasani	Mr. Rajiv P Kakodkar	Mr. Divakar M Gavaskar	Dr. Anand M Nadkarni	
	<b>Independent Directors</b>						
	Fee for attending board committee meetings	5.20	4.80	4.60	4.40	0	15.90
	Commission						
	Others, please specify						
	<b>Total (1)</b>	<b>5.20</b>	<b>4.80</b>	<b>4.60</b>	<b>4.40</b>	<b>0</b>	<b>19.00</b>
	<b>Other Non Executive Directors</b>						
	Fee for attending board committee meetings					2.00	2.00
	Commission						
	Others, please specify						
	<b>Total (2)</b>					<b>2.00</b>	<b>2.00</b>
	<b>Total (B)=(1+2)</b>	<b>5.20</b>	<b>4.80</b>	<b>4.60</b>	<b>4.40</b>	<b>2.00</b>	<b>21.00</b>

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

(₹ Lakhs)

Sl. No.	Particulars of remuneration	Key Managerial Personnel	Key Managerial Personnel
		CFO	Company Secretary
1.	Gross salary		
a)	Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	57.62	23.57
b)	Value of perquisites u/s 17(2) Income Tax Act, 1961	10.33	1.54
c)	Profits in lieu of salary under section 17(3) Income Tax Act, 1961	NIL	NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Performance Incentive	7.50	NIL
5.	Others, please specify	NIL	NIL
	<b>Total:</b>	<b>75.45</b>	<b>25.11</b>

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

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

For and on behalf of the Board of Directors

**SURESH G KARE**

Chairman

DIN: 00179220

Place : Mumbai  
Date : May 29, 2019

◆ ◆ ◆

## Annexure-G to the Directors' Report

### Business Responsibility Report

Section A : General Information about the Company		
1	Corporate Identity Number (CIN)	L85190MH1985PLC005913
2	Name of the Company	Indoco Remedies Limited
3	Registered Address	Indoco House, 166 CST Road, Kalina, Santacruz (East) Mumbai 400098
4	Website	<a href="http://www.indoco.com">www.indoco.com</a>
5	Email id	<a href="mailto:compliance.officer@indoco.com">compliance.officer@indoco.com</a>
6	Financial Year Reported	April 1, 2018 to March 31, 2019
7	Sector(s) that the Company is engaged in	<b>Industrial Group:</b> 210 <b>Description:</b> Manufacture of Pharmaceuticals (As per National Industrial Classification 2008 (NIC) by the Ministry of Statistics and Programme Implementation)
8	List three key products that the Company manufactures	1. Febrex Plus 2. Cyclopm 3. Sensodent-K
9	Total Number of locations where business activity is undertaken by the Company (i) Number of International Locations	The Company has presence in over 55 countries across the world
10	Markets Served by the Company (Local/ State/National/International)	In addition to serving the Indian Market, the Company exports to over 55 countries worldwide

Section B : Financial Details of the Company		
1	Paid up capital (INR)	18.43 crores
2	Total Turnover (INR)	973.89 crores
3	Total Profit /(Loss) After Tax (INR)	(2.84) crores
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)	Indoco spent an amount of ₹ 43.42 Lakhs for the year ended March 31, 2019.
5	List of activities in which expenditure in 4 above has been included	Refer to Principle 8 under Section E below

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

#### Section D: BR Information

1	Details of Director responsible for BR										
	a) Details of Director responsible for BR										
	DIN		00176613								
	Name		Mr. Sundeep V Bambolkar								
	Designation		Jt. Managing Director								
	b) Details of BR Head										
	DIN		00176613								
	Name		Mr. Sundeep V Bambolkar								
	Designation		Jt. Managing Director								
	Telephone Number		022 -26541851								
	e-mail id		<a href="mailto:compliance.officer@indoco.com">compliance.officer@indoco.com</a>								
2	Principle-wise BR Policy										
No	Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for		Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the Policy been formulated with the relevant Stakeholders		All Policies have been approved by the Board and have formulated in consultation with the management of the Company and is approved by the Board								
3	Does the Policy conform to National/ International Standards		The policies are broadly based on the National Voluntary Guidelines on social responsibilities and economical responsibilities of business issued by the Ministry of Corporate Affairs, Government of India.								
4	Has the Policy been approved by the Board		All Policies are approved by the Board and have been signed by the Managing Director								
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the Policy		The Board has appointed Mr. Sundeep V Bambolkar - Jt. Managing Director to oversee policy implementation								
6	Indicate the link for the policy to be viewed online		<a href="http://www.indoco.com">www.indoco.com</a>								
7	Has the Policy been formally communicated to all relevant internal and external stakeholders		YES								
8	Does the Company have an in-house structure to implement the policy		Y	Y	Y	Y	Y	Y	-	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy to address stakeholders grievances related to policy		Y	Y	Y	Y	Y	Y	-	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal/external agency		Y	Y	Y	Y	Y	Y	-	Y	Y

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

### Section E: Principle-wise performance

#### Principle 1

- Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?  
**Yes. The Company firmly believes in transparent, fair and ethical business practice. The Company has a Code of Conduct for Directors and Senior Management as well as a Code for Independent Directors. The Company also has following Policies in place: (a)Whistleblower Policy (b) Prevention of Sexual harassment. These Policies lay down the rules and procedures ways of which the employees can report any suspected wrongdoing or fraudulent business practices without fear of reprisals, thereby helping Indoco uphold its high standards.**
- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.  
**During the year the Company did not receive any stakeholder complaints.**



## Principle 2

- 1 List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities
  - a. **Telmichek (Telmisartan) powered with one of its kind “TSG Technology” for better dissolution and bioavailability, hence provides better blood pressure control. Telmisartan is the most accepted antihypertensive which provides 24 hours blood pressure control. The product will be available at affordable prices to a large population in the society.**
  - b. **Cital: Sugar free Disodium Hydrogen Citrate Alkalizer, offers cool solution to Burning Micturition. The improvement will benefit the patients from reduced sugar intake and the medicine can now be consumed by diabetic and obese patients as well.**
  - c. **Tuspel Plus: Terbutaline + Bromhexine + Ammonium chloride + Menthol combination for productive cough associated with Lower Respiratory Tract Infections. Tuspel Plus SF: Sugar free formula of Terbutaline + Bromhexine + Ammonium chloride for relief of productive cough. These products will contribute to environment protection to some extent.**
- 2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)
  - i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

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

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

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

**Yes. The Company procures goods and services from local vendors in and around the factory locations. The Company also provides technical support cum operational knowledge for improvement in the vendor value chain and safety standards.**
- 5 Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

**Yes. About 20% of waste water generated is recycled.**

### Principle 3

- 1 Please indicate the Total number of employees.  
**6002 permanent employees as on March 31, 2019.**
- 2 Please indicate the Total number of employees hired on temporary / contractual / casual basis.  
**994 employees hired on temporary/contractual/casual basis as on March 31, 2019.**
- 3 Please indicate the Number of permanent women employees.  
**522 Permanent women employees as on March 31, 2019.**
- 4 Please indicate the Number of permanent employees with disabilities  
**To avoid discrimination, Indoco does not record any information regarding employee disabilities.**
- 5 Do you have an employee association that is recognized by management  
**Yes, Indoco has One employee association at Goa for permanent workmen employed.**
- 6 What percentage of your permanent employees is members of this recognized employee association?  
**About 9% of the permanent employees are members of the recognised employee association.**
- 7 Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.  
**NIL**
- 8 What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?  
Permanent Employees : **More than 70% of employees are imparted training in safety.**  
Permanent Women Employees: **100% of permanent employees are trained in safety. The Company makes no discrimination while imparting training to women employees vis-a-vis their male employees.**  
Casual/Temporary/Contractual Employees: **100% in operating functions are imparted training.**  
Employees with Disabilities : **Indoco makes no discrimination while imparting training employees with disabilities.**

### Principle 4

- 1 Has the company mapped its internal and external stakeholders? Yes/No  
**Yes**
- 2 Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.  
**Yes**
- 3 Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.  
**Indoco has identified some groups in this category. They include those who cannot afford quality health and education, communities from the lower social economic strata etc. Indoco through the Indoco Suresh Kare Foundation identifies their needs and addresses them to the extent possible.**

### Principle 5

- 1 Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures / Suppliers / Contractors / NGOs / Others?  
**The Policy covers the Company, its subsidiaries and all suppliers and contractors. The Companies code of conduct and human resource practices cover most of these aspects. The company does not**

**hire child labour or forced labour and never discriminates between its employees.**

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

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

#### **Principle 6**

- 1 Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures / Suppliers / Contractors / NGOs /others?

**The Policy covers the Company, its subsidiaries and all contractors working within the Company premises.**

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

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

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

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

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

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

- 5 Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

**1. Implementation of pressure impedance balancing control valve to all air handling systems to control chilled water and utility.**

**2. Installation of Energy Efficient pumping system for chilled water.**

**3. Carried out Chillers Integration at Goa Plant. This has resulted in optimum Utilization of Existing Chilling Capacity.**

**4. Installation of LED lamps in various departments to save electricity.**

- 6 Are there Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

**Yes.**

- 7 Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

**During the year the Company has received 1 Show Cause Notice from the H. P State Pollution Control Board. The Company has taken the necessary steps to comply with the requirements.**

#### **Principle 7**

- 1 Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

**Bombay Chamber of Commerce**

**Indian Drug Manufacturers Association**

**Indo German Chamber of Commerce**

**Pharmexcil**

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

**Yes. The Company has advocated measures to be taken in order to address basic issues related to improvement of public health. Efforts are also made to promote the use of generic medicines which would make medical treatment affordable to all.**

#### Principle 8

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

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

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

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

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

**Yes**

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

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

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

**Yes. Most of our programmes are participatory in nature and focus on institutional development and capacity building.**

#### Principle 9

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

**NIL**

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

**The Company follows all laws with respect to product labelling and display of product information.**

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

**No**

- 4 Did your company carry out any consumer survey/ consumer satisfaction trends?

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



## Annexure to the Directors' Report

### Report on Corporate Governance for the year ended March 31, 2019

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

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

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

#### BOARD OF DIRECTORS

##### Composition and Size:

The Company's policy is to have a proper blend of Executive and Non-Executive Directors to maintain independence of the Board and at the same time separate the Board's functions of governance from the Management. As on March 31, 2019, in compliance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company's Board of Directors headed by its Chairman – Mr. Suresh G Kare, comprises of seven other directors, out of which, four directors are Independent Non-Executive Directors. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies. The Board confirms that the Independent Directors fulfil the conditions specified in these regulations and that they are Independent of the management.

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

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

**The Composition of the Board of Directors, the number of other Directorships and Committee positions held by each Director as on March 31, 2019 is as under:**

Name of Director	Category of Directorship	Number of other Directorship		Number of Chairmanship/ Membership in committees of other companies **	
		Of Indian Public Limited Companies	Of other Companies*	Chairman	Member
Mr. Suresh G Kare	Promoter & Chairman	1	2	Nil	Nil
Ms. Aditi Panandikar	Promoter & Managing Director	Nil	2	Nil	Nil
Mr. Sundeep V Bambolkar	Joint Managing Director	Nil	2	Nil	Nil
Mr. Divakar M Gavaskar	Independent Non-Executive	1	2	1	1
Mr. Rajiv P Kakodkar	Independent Non-Executive	1	Nil	Nil	Nil
Mr. Sharad P Upasani	Independent Non-Executive	3	Nil	3	5
Dr. Anil M Naik	Independent Non-Executive	2	1	Nil	Nil
Dr. Anand M Nadkarni	Non Executive	Nil	Nil	Nil	Nil

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

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

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

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

**Note:**

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

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

### BOARD MEETINGS:

During the year, the Board met **Five (5)** times on May 30, 2018, August 13, 2018, November 13, 2018, January 23, 2019 and March 8, 2019. The maximum gap between any two Board Meetings was less than one hundred and twenty days. All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available the Board as prescribed under Part A of Schedule II of Sub- Regulation 7 of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Company has proper systems to enable the Board to periodically review compliance reports of all laws applicable to the Company, as prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances on a half-yearly basis. None of the Non-Executive Directors held any equity shares of the Company during the financial year ended March 31, 2019.

### Attendance of each Director at the Board Meetings held in financial year 2018-2019 and at the last Annual General Meeting of the Company:

Name of the Director	No. of Board Meetings held during the year	No. of Board Meetings attended	Attendance at the last AGM held on 11.09.2018
Mr. Suresh G Kare	5	5	Present
Ms. Aditi Panandikar	5	4	Present
Mr. Sundeep V Bambolkar	5	5	Present
Mr. Divakar M Gavaskar	5	5	Present
Mr. Rajiv P Kakodkar	5	4	Present
Mr. Sharad P Upasani	5	5	Present
Dr. Anil M Naik	5	5	Present
Dr. Anand M Nadkarni	5	5	Present

## **FAMILIARIZATION PROGRAMME FOR DIRECTORS**

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

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

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

## **COMMITTEES OF THE BOARD:**

Currently, the Board has the following Committees

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

The Board decides the terms of reference of these Committees.

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

#### **Composition:**

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

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

#### **Terms of reference:**

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



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

#### Meetings and attendance:

During the financial year the Audit Committee met **Five (5)** times: on May 30, 2018, August 13, 2018, November 13, 2018, January 23, 2019 and March 8, 2019. The attendance of the Members of the Committee at the said Meetings were as follows:

<i>Name of the Director</i>	<i>No. of Audit Meetings held during the year</i>	<i>No. of Audit Meetings attended</i>
Dr. Anil M Naik	5	5
Mr. Divakar M Gavaskar	5	5
Mr. Rajiv P Kakodkar	5	4
Mr. Sharad P Upasani	5	5
Mr. Sundeep V Bambolkar	5	5

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

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

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

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

## b) **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Committee comprises of:

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

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

### **Meetings and attendance:**

During the financial year 2018-19 **Four (4)** Committee Meetings were held: on April 26, 2018, August 13, 2018, November 01, 2018 and January 23, 2019. The attendance of the Members of the Committee at the said Meetings were as follows:

<i>Name of the Director</i>	<i>No. of Meetings held during the year</i>	<i>No. of Meetings attended</i>
Mr. Rajiv P Kakodkar	4	4
Ms. Aditi Panandikar	4	3
Mr. Sundeep V Bambolkar	4	4

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

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

<i>Particulars</i>	<i>No. of complaints</i>
Investor complaints pending as at April 1, 2018	–
Investor complaints received during the year ended on March 31, 2019 (The complaints pertained to revalidation of dividend warrants and non-receipt of Annual Reports)	–
Investor complaints resolved during the year ended March 31, 2019	–
Investor complaints pending as on March 31, 2019	–

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

The Committee comprises of:

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

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

**Meetings and attendance:**

During the financial year 2018-19, **Two (2)** CSR Committee Meetings were held: on May 30, 2018 and January 23, 2019. The attendance of the Members of the Committee at the said Meetings were as follows:

<i>Name of the Director</i>	<i>No. of Meetings held during the year</i>	<i>No. of Meetings attended</i>
Ms. Aditi Panandikar	2	1
Mr. Sundeep V Bambolkar	2	2
Dr. Anil M Naik	2	2

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

**d) NOMINATION AND REMUNERATION COMMITTEE:**

The Committee comprises of:

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

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

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

**Meetings and attendance:**

During the financial year 2018-19, **Two (2)** meeting on May 30, 2018 & January 23, 2019 were held.

<i>Name of the Director</i>	<i>No. of Meetings held during the year</i>	<i>No. of Meetings attended</i>
Dr. Anil M Naik	2	2
Mr. Rajiv P Kakodkar	2	2
Mr. Sharad P Upasani	2	2

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

**e) EXECUTIVE COMMITTEE OF DIRECTORS:**

The Committee comprises of:

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

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

**Meetings and attendance:**

During the financial year 2018-19, Ten (10) Executive Committee Meetings were held: on April 13, 2018, May 02, 2018, June 19, 2018, July 18, 2018, August 24, 2018, September 11, 2018, October 29, 2018, November 26, 2018, December 11, 2018, March 15, 2019. All the Directors were present at these Meetings.

**INDEPENDENT DIRECTORS MEETING**

During the year, separate meetings of the Independent Directors were held on November 13, 2018 and March 08, 2019 without the attendance of Non-independent Directors and members of the management.

<i>Name of the Director</i>	<i>No. of Meetings held during the year</i>	<i>No. of Meetings attended</i>
Dr. Anil M Naik	2	2
Mr. Sharad Upasani	2	2
Mr. Divakar M Gavaskar	2	2
Mr. Rajiv P Kakodkar	2	1

The Independent Directors met inter alia to discuss:

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

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

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

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

## REMUNERATION TO DIRECTORS:

### Remuneration Policy:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees.

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

The performance evaluation of the Chairman and the Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department.

The Directors expressed their satisfaction with the evaluation process.

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

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

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

#### 1) Executive Directors:

(₹ in Lakhs)

Name of Director	Salary	Perquisites	Others- PF & superannuation	Commission/ Performance Linked Incentives	Stock Options	Total
	₹	₹	₹	₹	₹	₹
Mr. Suresh G Kare	180.00	Nil	14.40	Nil	Nil	<b>194.40</b>
Ms. Aditi Panandikar	131.52	2.50	31.97	Nil	Nil	<b>165.99</b>
Mr. Sundeep V Bambolkar	119.14	2.50	28.67	Nil	Nil	<b>150.31</b>

Members have by way of Postal Ballot on March 7, 2019, passed a special Resolution approving the payment of remuneration on without restriction in case of no profit or inadequate profit.

#### 2) Non-Executive Directors:

Name of Director	Sitting fees (₹ in Lakhs)
Dr. Anil M Naik	5.20
Mr. Sharad P Upasani	4.80
Mr. Rajiv P Kakodkar	4.60
Mr. Divakar M Gavaskar	4.40
Dr. Anand Nadkarni	2.00

#### Notes:

- ❖ The sitting fees indicated above includes fees paid for attending Meetings of the Board and Committees.
- ❖ There is no severance fee payable.

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

(₹ in Lakhs)

<i>Name of KMP</i>	<i>Salary</i>	<i>Benefits &amp; Perquisites</i>	<i>Commission / Performance Linked Incentives</i>	<i>Stock Options</i>	<i>Total</i>
	₹	₹	₹		₹
Mr. Mandar Borkar	57.62	10.33	7.50	Nil	<b>75.45</b>
Mr. Jayshankar Menon	23.57	1.54	Nil	Nil	<b>25.11</b>

#### Subsidiary Companies:

Following Companies are subsidiaries of the Company

<b>Name</b>	<b>Percentage of Holding</b>
Xtend Industrial Designers & Engineers Pvt. Ltd.	100%
Indoco Remedies Czech s.r.o (wef April 09, 2019)	100%

As there was no business activity, the Company during the year closed down its 100% subsidiary in Singapore - Indoco Remedies Singapore Pte Ltd.

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

The following is a summary of sexual harassment complaints received and disposed off during the year 2018-2019:

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

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

<b>Payment to Statutory Auditors FY 2018-19</b>	<b>₹ in Lakhs</b>
Audit Fees	6.25
Fees for GST Audit	4.80
Other Services	2.13
Reimbursement of expenses	0.71
<b>Total</b>	<b>13.89</b>

#### RELATED PARTY TRANSACTIONS

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

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

#### DISCLOSURES:

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

#### GENERAL BODY MEETINGS:

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

#### Annual General Meeting:

The details of the last three Annual General Meetings held:

<i>Financial Year</i>	<i>AGM</i>	<i>Date</i>	<i>Time</i>	<i>Location of the AGM</i>
2017-18**	71 <sup>st</sup>	September 11, 2018	10.30 am	MIG Cricket Club. MIG Colony, Bandra East, Mumbai 400051
2016-17	70 <sup>th</sup>	August 09, 2017	10.30 am	
2015-16*	69 <sup>th</sup>	July 29, 2016	11.30 am	

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

\* One Special Resolutions was passed at the AGM- Consent to the Company to keep the Register and Index of Members Register and copies of all Annual Returns, at the office of the Registrar and Share Transfer Agent of the Company viz. Link Intime India Pvt. Ltd.



## POSTAL BALLOT:

During the year the following resolutions were passed through Postal Ballot:

The voting results of Special Resolution calculated based on the votes cast through remote e-voting and physical postal ballot were as under:

<i>Date of passing of resolution</i>	<i>Resolution No</i>	<i>Purpose</i>	<i>Manner of voting</i>	<i>Votes in favour of the resolution</i>		<i>Votes against the resolution</i>	
				Nos	%	Nos	%
March 07, 2019	1	Reappointment of <b>Mr. Sharad P Upasani</b> as Independent Director for <b>18 months</b> with effect from April 1, 2019	E Voting	68405466	99.45	341032	0.50
			Postal Ballot	36903	0.05	638	0.00
			Total	<b>68442369</b>	<b>99.50</b>	<b>341670</b>	<b>0.50</b>
March 07, 2019	2	Reappointment of <b>Dr. Anil M Naik</b> as Independent Director for a period of <b>5 years</b> with effect from April 1, 2019	E Voting	68742622	99.94	3876	0.01
			Postal Ballot	36684	0.05	645	0.00
			Total	<b>68779306</b>	<b>99.99</b>	<b>4521</b>	<b>0.01</b>
March 07, 2019	3	Reappointment of <b>Mr. Divakar M Gavaskar</b> as Independent Director for a period of <b>5 years</b> with effect from April 1, 2019."	E Voting	68405466	99.45	341032	0.50
			Postal Ballot	35934	0.05	1395	0.00
			Total	<b>68441400</b>	<b>99.50</b>	<b>342427</b>	<b>0.50</b>
March 07, 2019	4	Reappointment of <b>Mr. Rajiv P Kakodkar</b> as Independent Director for a period of <b>5 years</b> with effect from April 1, 2019	E Voting	68405466	99.45	341032	0.50
			Postal Ballot	36684	0.05	645	0.00
			Total	<b>68442150</b>	<b>99.50</b>	<b>341677</b>	<b>0.50</b>
March 07, 2019	5	Modification in the terms of appointment of <b>Mr. Suresh G Kare</b> , Chairman	E Voting	60168000	98.70	751765	1.23
			Postal Ballot	36074	0.06	1255	0.01
			Total	<b>60204074</b>	<b>98.76</b>	<b>753020</b>	<b>1.24</b>
March 07, 2019	6	Modification in the terms of appointment of <b>Ms. Aditi Panandikar</b> , Managing Director	E Voting	60168000	98.70	751765	1.23
			Postal Ballot	36024	0.06	1305	0.01
			Total	<b>60204024</b>	<b>98.76</b>	<b>753070</b>	<b>1.24</b>
March 07, 2019	7	Modification in the terms of appointment of <b>Mr. Sundeep V Bambolkar, Jt.</b> Managing Director	E Voting	60168000	98.70	751765	1.23
			Postal Ballot	35942	0.06	1387	0.01
			Total	<b>60203942</b>	<b>98.76</b>	<b>753152</b>	<b>1.24</b>

**Details of person who conducted the postal ballot exercise:**

The Company had appointed CS Ajit Sathe, Proprietor of A.Y. Sathe & Co., Practicing Company Secretaries, as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. The scrutinizer submitted his report to the Chairman, after completion of the scrutiny and the results of voting by postal ballot were then announced by the Chairman/Authorized officers. The voting results were sent to the Stock Exchanges and displayed on the Company's website. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

**MEANS OF COMMUNICATION:****Financial Results**

The quarterly and annual financial results are generally published in Economic Times, Maharashtra Times, Business Standard. The results are also displayed on the Company's website: [www.indoco.com](http://www.indoco.com). The official news releases are also displayed on the website of the Company.

**Presentation to Institutional Investors/Analysts**

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

**GENERAL SHAREHOLDER INFORMATION:**

Annual General Meeting:

Date & Time	Wednesday, <b>August 28, 2019</b> at 10.30 A.M.
Venue	MIG Cricket Club, MIG Colony, Bandra East Mumbai 400051
Financial Year	April 1, 2018 to March 31, 2019
Date of Book closure	August 26, 2019 to August 28, 2019 (both days inclusive)
Dividend Payment Date	On or after August 31, 2019

**Insider Trading:**

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

The code is posted on the Company Website. The Company keeps the Code updated as per the requirements of SEBI from time to time. <http://www.indoco.com/inv-policies.asp>

**Code of Conduct:**

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

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

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

**Listing on Stock Exchanges:**

The Company's shares are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. The annual listing fees have been paid upto March 31, 2020 and there is no outstanding payment towards the Exchanges, as on date.

**Stock Code**

Bombay Stock Exchange	532612
National Stock Exchange of India Limited	INDOCOEQ

**MARKET PRICE DATA**

The High and Low prices of the Company's share (of the face value of ₹ 2/- each) from April, 2018 till March, 2019 are as below:

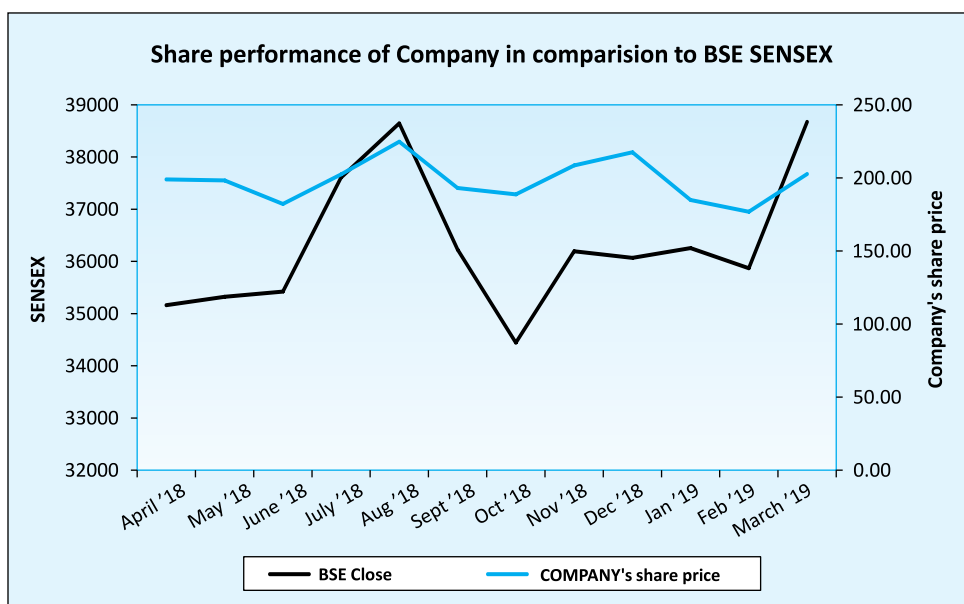
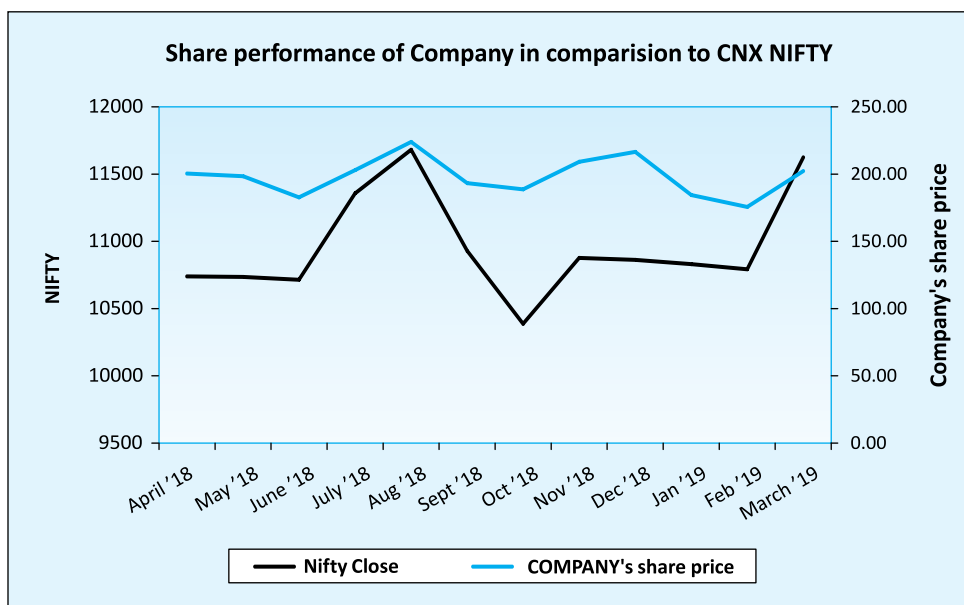
**National Stock Exchange of India Limited (NSE)**

Month	IRL Share Price			No. of Shares traded during the month	Turnover ₹ lakhs
	High ₹	Low ₹	Close ₹		
April '18	233.95	196.40	200.50	1689074	3606.77
May '18	216.85	175.35	198.45	1970703	3811.77
June '18	205.00	166.00	182.70	2732694	5260.89
July '18	210.80	167.25	202.95	3022236	5638.28
August '18	226.55	181.25	224.00	1811632	3690.62
September '18	238.90	185.00	193.35	2165015	4649.53
October '18	208.00	148.50	188.75	1065623	1924.48
November '18	238.70	159.10	209.25	2696802	5544.71
December '18	232.15	203.45	216.55	716882	1568.77
January '19	228.00	178.85	184.40	1566423	3207.99
February '19	189.00	170.50	175.60	271588	478.32
March '19	214.00	173.30	202.30	539699	1008.78

**Bombay Stock Exchange Limited (BSE)**

Months	IRL Share Price			No. of Shares traded during the month	Turnover ₹ Lakhs
	High ₹	Low ₹	Close ₹		
April '18	232.15	195.30	199.00	568886	1219.10
May '18	216.10	175.20	198.35	195612	379.23
June '18	205.00	167.20	182.30	852215	1631.88
July '18	210.35	169.25	202.45	2936633	5413.42
August '18	229.00	182.20	224.85	537523	1049.41
September '18	237.05	188.00	193.15	188973	406.68
October '18	203.30	150.25	188.85	127430	228.19
November '18	238.00	159.25	208.55	470916	989.54
December '18	231.90	204.00	217.65	71148	156.08
January '19	230.50	177.55	185.00	279177	572.58
February '19	186.10	171.25	176.95	30502	53.89
March '19	213.45	173.00	202.70	159305	296.11

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



### Distribution of Shareholding as on March 31, 2019

<i>Category</i>	<i>No. of shares held</i>	<i>Percentage of shareholding</i>
<b>Promoter &amp; Promoter Group</b>		
<b>Indian</b>		
Individuals	19871714	21.56
Bodies Corporate	15771755	17.12
Person Acting in Concert	18426477	20.00
<b>Total (A)</b>	<b>54069946</b>	<b>58.68</b>
<b>Public Shareholdings</b>		
<b>Institutions</b>		
Mutual Funds/UTI	11722760	12.72
Alternate Investment Funds	1864815	2.02
Foreign Portfolio Investors	1950735	2.12
Financial Institutions / Banks	24895	0.03
<b>Total (B)</b>	<b>15563205</b>	<b>16.89</b>
<b>Non Institutions</b>		
Other Bodies Corporate	2417741	2.62
NRI & Foreign National	1166056	1.27
Clearing Members	439619	0.48
Investor Education & Protection Fund	56018	0.06
NBFC registered with RBI	113534	0.12
Public & Others	18324236	19.88
<b>Total (C)</b>	<b>22517204</b>	<b>24.43</b>
<b>Total (A + B + C)</b>	<b>92150355</b>	<b>100.00</b>

### Disclosure of information on pledged shares:

The details of shares pledged by promoter are as follows:

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

### Details showing Shareholding of more than 1% of the Capital as on March 31, 2019:

<i>Sl. No</i>	<i>Name of Shareholder</i>	<i>Number of Shares</i>	<i>% of Capital</i>
1	SPA Holdings Pvt. Ltd	18335000	19.90
2	Shanteri Investment Pvt. Ltd	15771755	17.12
3	Reliance Mutual Fund- Various Funds	5983784	6.49
4	Aditi Milind Panandikar	5559013	6.03
5	Madhura Ramani	5184079	5.63
6	Aruna Suresh Kare	4794714	5.20
7	Suresh Govind Kare	4060408	4.41
8	HDFC Capital Builder Value Fund	1992269	2.16
9	IDFC Mutual fund- Various Funds	1866518	2.03
10	DSP AIF Pharma Fund	1839926	2.00
11	ICICI Prudential Pharma Healthcare and Diagnostics (P.H.D.) Fund	1491832	1.62
12	Ashish Agarwal	1465781	1.59
13	Mangeshi Investment Pvt. Ltd.	1167300	1.27

**ADR/GDR:**

The Company has not issued any ADR/GDR.

**Dematerialisation Information:**

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

**Dematerialization of shares:**

As on March 31, 2019, the number of shares of the Company in the demat form is as shown below:

<b>Total No. of Shares of the Company</b>	<b>92150355</b>
No. of Shares in demat mode	90803047
% to Total No. of Shares of the Company	98.54%
<b>Total No. of Shareholders of the Company</b>	<b>15820</b>
No. of Shareholders with dematerialised shares	15752
% to Total No. of Shareholders	99.57%

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

The break-up of shares in physical and demat form as on March 31, 2019 is given below:

	<i>No. of Shares</i>	<i>% of Total Shares</i>
No. of shares in physical form	1347308	1.46%
No. of shares in demat form		
(1) With NSDL	83631656	90.76%
(2) With CDSL	7171391	7.78%
<b>Total No. of Shares</b>	<b>92150355</b>	<b>100.00</b>

**Share Transfer System**

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

**Registrar & Share Transfer Agent:**

Link Intime India Pvt. Ltd

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

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

Phone No. : 022-49186000

Fax : 022-49186270

**Address for correspondence:**

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

- |   |   |
|---|---|
| <p>(1) <b>Link Intime India Private Limited</b><br/>Unit: Indoco Remedies Limited<br/>C-101, 247 Park<br/>L.B.S. Marg, Vikhroli (West),<br/><u>Mumbai – 400083</u><br/><br/>Contact Person: <b>Mr. Sharad Patkar</b><br/><br/>Tel. No.: +91 -22-49186000<br/><br/>Email id: <u><a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a></u></p> | <p>(2) <b>Secretarial Department</b><br/>Indoco Remedies Limited<br/>Indoco House, 166 CST Road,<br/>Kalina, Santacruz (East),<br/><u>Mumbai – 400098</u><br/><br/>Contact Person: <b>Mr. Jayshankar Menon</b><br/><br/>Tel No.: +91- 22-26541851-55<br/><br/>Email id: <u><a href="mailto:compliance.officer@indoco.com">compliance.officer@indoco.com</a></u></p> |
|---|---|

**Nomination Facility:**

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

**UNPAID/ UNCLAIMED DIVIDENDS**

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

The due dates for transfer to IEPF of dividends remaining unclaimed / unpaid since 2011-2012 are given below:

<i>Financial year</i>	<i>Unclaimed dividend amount as on 31.03.2019 (in ₹)</i>	<i>Due date for transfer to IEPF</i>
2011-2012 - Final	3,85,014.80	04.09.2019
2012-2013 - Final	3,60,681.20	04.09.2020
2013-2014 - Final	3,15,246.40	04.09.2021
2014-2015 - Final	3,86,084.80	04.09.2022
2015-2016 - Interim	6,98,089.00	15.04.2023
2015-2016 - Final	74,269.80	03.10.2023
2016-2017 - Final	4,52,220.80	13.09.2024
2017-2018 - Final	3,55,435.00	16.10.2025

**Plant Locations:**

- |   |  |
|---|--|
| <p>1) L-14, Verna Industrial Estate,<br/><u>Verna - Goa 403722</u></p>  | <p>2) L-32, 33, 34 Verna Industrial Estate,<br/><u>Verna - Goa 403722</u></p>  |
| <p>3) R-104 Rabale<br/>TTC Industrial Area,<br/>MIDC Thane Belapur Road<br/>Navi Mumbai<br/><u>Maharashtra - 400701</u></p> | <p>4) A-26,27,28/1, 28/2 MIDC Industrial Estate<br/>Patalganga, Village Kaire<br/>Dist Raigad,<br/><u>Maharashtra - 410220</u></p> |



5) B- 20 MIDC, Waluj,  
Aurangabad,  
Maharashtra - 431133

6) Village Katha, P.O. Baddi  
Tehsil Nalagarh, Dist.: Solan,  
Himachal Pradesh - 173205

7) Unit No. 3, Village Katha,  
Pargana Dharampur, Tehsil Nalagarh,  
Dist.: Solan, Himachal Pradesh - 173205

**R & D Center:**

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

**Clinical Research Centre:**

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

**Registered Office:**

**Indoco Remedies Limited**

Indoco House, 166 CST Road,  
Kalina, Santacruz (East),  
Mumbai - 400098.  
Tel: +91- 22-2654 1851- 55  
Fax: +91-22 – 66936241

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

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

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

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## CERTIFICATE ON CORPORATE GOVERNANCE

All the Directors of the Company have submitted a declaration stating that they are not debarred or disqualified by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as Directors of Companies. Mr. Ajit Sathe, Proprietor of A. Y. Sathe & Co., Practicing Company Secretary, has submitted a certificate to this effect.

A compliance certificate from M/s. **Gokhale & Sathe**, Practicing Chartered Accountant pursuant to the requirements of Schedule V to the Listing Regulations regarding compliance of conditions of Corporate Governance is attached.

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

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

Date : May 29, 2019  
Place : Mumbai



## Certificate of Compliance with the Corporate Governance

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

We have examined the compliance of conditions of Corporate Governance by Indoco Remedies Limited ("the Company") for the year ended on March 31, 2019 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Stock Exchanges.

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

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

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

For **GOKHALE & SATHE**  
*Chartered Accountants*  
Firm Registration No:103264W

**RAHUL JOGLEKAR**  
*Partner*  
Membership No. 129389

Place : Mumbai  
Date : May 29, 2019

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

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

1. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2019 and to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and Audit Committee, deficiencies in the design or operation of internal controls and we have taken steps to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee that there is no
  - a) significant changes in internal control during the year, if any;
  - b) significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements, if any and
  - c) instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system

**ADITI PANANDIKAR**

*Managing Director*

DIN: 00179113

**MANDAR BORKAR**

*CFO*

DIN : 00232554

Place : Mumbai

Date : May 29, 2019



## Managing Director's Certification Declaration on Code of Conduct to the Members of Indoco Remedies Limited

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

I confirm that the Company has in respect of the year ended March 31, 2019 received from the senior management team of the Company and the Members of the Board affirmations of compliance with the Code of Conduct as applicable to them.

Place : Mumbai  
Date : May 29, 2019

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

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## Management Discussion and Analysis

### a) Industry Structure and Development:

The Indian Pharmaceutical industry has contributed immensely to India's healthcare progress and economic growth. World-class facilities and continuing improvements over the last few years, have established India as the pharmacy of the world.

In the last few years, the industry has faced several challenges, which include, higher level of customer/distributor consolidation, increased competition, diminishing success from new product launches, price control and protectionism. Even as the industry emerged from the impact of demonetisation, it continued to face disruptions from government policies, emergence of online pharmacies and shift in balance of power towards pharmacists/stockists. The currencies of major countries witnessed sharp depreciation, leading to challenges in pricing of products in these price sensitive markets.

However, this turbulent phase has offered a timely opportunity to drive-out inefficiencies and build new-age capabilities. Data-and-technology led innovation has provided a growing set of levers to drive this transformation.

### b) Opportunities and Threats:

The pharmaceutical industry in India presents considerable potential for collaborative R&D in drug development and manufacturing of medicinal products. India's CRAMS sector is globally recognized for its high-end research services and its manufacturing capabilities. India offers competitive cost structure, high R&D productivity, backed by technically skilled manpower and a large number of national laboratories that have the potential to steer the industry ahead. Besides, India has the highest number of USFDA approved plants for generic drug manufacturing outside the US. Some of the leading Indian pharma companies derive over 50% of their turnover from exporting generic medicines to developed markets like the US and Europe.

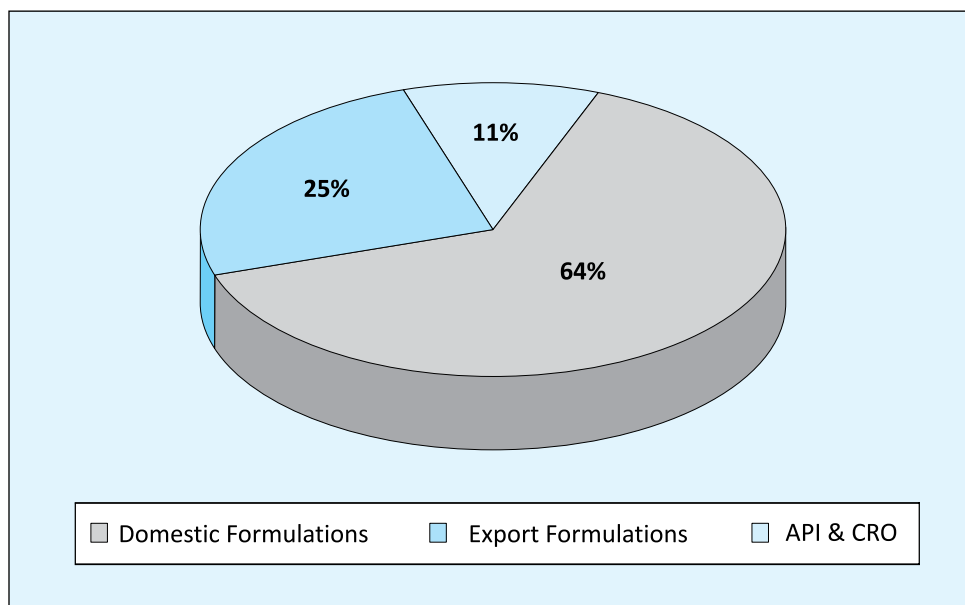
On the Domestic front, government's ban on fixed-dose combinations and regulations concerning the price control of drugs, prescriptions of medicines by generic names instead of brand names and other such measures remain key concerns for the industry.

Considering the scenario at both Domestic and International front, it has become imperative for the Indian generics industry to transition itself to a Specialty player to drive value growth and build strengths. Indian pharma companies also need to achieve full compliance with the evolving regulatory guidelines by deploying global best-practices. In addition, building legacy brands, disease management, market creation capabilities, improving customer focus and new models of sales force coverage have become essential. The growth forecast for the Indian pharmaceutical industry is likely to be in double digits, on the back of healthy demand from the domestic market, given increasing spend on healthcare, and improved access.

**c) Financial Performance:**

Net revenues for the year is at ₹ 941.37 crores, as against ₹ 1017.31 crores last year. Other operating income in the current year is at ₹ 26.37 crores, as compared ₹ 24.27 crores to the previous year. Material consumption to sales is 34.00 % at ₹ 320.18 crores, as compared to 34.30 % at ₹ 349.40 crores previous year. Staff cost to sales is 24.60 % at ₹ 231.26 crores, as compared to 21.70 % at ₹ 220.34 crores previous year. Recurring R&D expenses to net sales are 5.5 % at ₹ 51.52 crores, as compared to 5.30 % at ₹ 53.49 crores previous year. Other expenses to sales are at 30.60 % at ₹ 288.07 crores, as compared to 27.90 % at ₹ 283.50 crores previous year. Finance cost to sales is at 2.2 % at ₹ 20.54 crores, as compared to 2.3 % at ₹ 23.51 crores previous year. Operating profit is at ₹ 36.13 crores compared to ₹ 97.13 crores previous year. Depreciation is at ₹ 71.56 crores, as against ₹ 67.71 crores in the previous year. Profit / (Loss) Before Tax is at ₹ (9.24) crores, as compared to ₹ 48.43 crores in the previous year. Profit / (Loss) After Tax was ₹ (2.84) crores, as against ₹ 41.20 crores in the previous year. Basic & Diluted Earnings Per Share (EPS) for the year is ₹ (0.31), as against ₹ 4.47 in the previous year (both after and before the extra-ordinary items). Outstanding long term debt as on March 31, 2019 was ₹ 128.65 crores, as compared to ₹ 123.27 crores in the previous year. Cash outflow on account of Capital Expenditure (CAPEX) during the year was ₹ 96.95 crores, as compared to ₹ 139.45 crores in the previous year. During the year, an amount of ₹ 1.25 crores was contributed to the national exchequer by way of payment of income tax and ₹ 32.78 crores by way of Goods & Services tax (GST). Net worth of the Company as on March 31, 2019 is ₹ 661.08 crores, as against ₹ 675.56 crores in the previous year, on account of retained profits. Debt-equity ratio during the year was 0.28, as compared to 0.25 in the previous year.

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



**d) Business Overview:**

**Domestic Business**

Indoco's Domestic Formulations Business has Pan-India presence and is amongst the top 30 companies in the Indian Pharmaceutical Market [as per Sales Audit Report of All India Organization of Chemists and Druggists (AIOCD)]. The Company offers high-quality medicines in multiple therapeutic categories which include respiratory, stomatology, women's health, nutritional products, gastroenterology, cardiology, metabolic disorders and primary care medicines. The Company has a predominant presence in South (34%) and West (29%), followed by East (19%) and North (18%). The Company caters to multiple doctor specialties and generates more than 70 million prescriptions annually from over 3,00,000 doctors across India (as per SMSRC Prescription Data).

**Performance of key therapy areas:**

(₹ In Lakhs)

<i>Therapy</i>	<i>Cont %</i>	<i>2018-19</i>	<i>2017-18</i>	<i>Gw %</i>
Stomatologicals	18.3	11180	10305	8.5
Respiratory	15.9	9732	10336	-5.8
Anti-Infectives	14.6	8901	9262	-3.9
Gastro Intestinal	14.1	8608	8222	4.7
Vitamins / Minerals / Nutrients	7.9	4830	4247	13.7
Ophthal / Otologicals	6.1	3728	3625	2.9
Pain / Analgesics	5.6	3438	3508	-2.0
Gynaecology	5.4	3277	3120	5.0
Dermatology	4.5	2765	2813	-1.7
Anti-Diabetic	4.1	2479	2380	4.2

(Source : Internal Data)

The Company enjoys a good position in the domestic market with 39 products ranking amongst the top 5 positions in their respective sub-segments,

<i>Product</i>	<i>Rank</i>	<i>Broad Therapy</i>	<i>Market Share % (Respective Sub-segments)</i>
Sensodent-K	1	Stomatologicals	96.6
Sensoform	1	Stomatologicals	64.1
Kidodent	1	Stomatologicals	55.2
Rexidin Plus	1	Stomatologicals	50.7
Carmicide	1	Gastro Intestinal	82.3
Karvol Plus	1	Respiratory	56.5
Renolen	1	Ophthal / Otologicals	62.0



<b>Product</b>	<b>Rank</b>	<b>Broad Therapy</b>	<b>Market Share % (Respective Sub-segments)</b>
Homide	1	Ophthal / Otologicals	85.9
Cital UTI	1	Vitamins / Minerals / Nutrients	21.2
Cyclopam	2	Gastro Intestinal	9.6
Rexidin M	2	Stomatologicals	39.1
Sensodent-KF	2	Stomatologicals	27.5
Snowdent	2	Stomatologicals	37.6
Dentogel	2	Stomatologicals	14.9
Rexidin	2	Stomatologicals	14.8
MCBM 69	2	Gynaecological	13.7
Tobaren DM	2	Ophthal / Otologicals	24.6
Methycal	3	Vitamins / Minerals / Nutrients	9.9
Kg Low	3	Anti-obesity	10.2
Cloben G	3	Derma	12.5
Cital	3	Urology	30.8
ATM	3	Anti-Infectives	6.7
Scabex	3	Derma	15.6
Febrex Plus	3	Respiratory	15.8
Otoresx	3	Ophthal / Otologicals	12.6
SM Fibro	4	Vitamins / Minerals / Nutrients	11.1
Apispur	4	Vitamins / Minerals / Nutrients	2.7
Carmicide	4	Gastro Intestinal	9.2
Cyclomeff	4	Gastro Intestinal	2.2
Hemsyl	4	Blood Related	11.4
Cital-H	4	Urology	4.7
Lignox	4	Pain / Analgesics	17.4
Cal Aid	5	Vitamins / Minerals / Nutrients	4.3
Nosic	5	Gastro Intestinal	3.9
MCBM DHA	5	Gynaecological	7.4
Rosuchek D	5	Cardiology	4.7
Oxipod	5	Anti-Infectives	5.7
T-Lac	5	Pain / Analgesics	1.3
Mofloren-D	5	Ophthal / Otologicals	7.2

## **Domestic Marketing Divisions:**

### **Indoco**

Indoco is the main domestic marketing division and enjoys a strong image amongst its targeted specialties, viz., general practitioners, pediatricians, gynecologists and consultant Physicians. The division has acquired a prominent position within its covered market with prescription market share of around 4.5%.

Prescription growth of around 2% and 4% is recorded by the division within its major focused specialties, i.e., general practitioners and gynecologists. Effective legacy brand management carried out by the division is evident by prescription growth of 7% for Cyclopam. In terms of new launches, Cital-UTI has attained a leadership position within its covered market. The division is poised to strike a balance between legacy brand management and management of new products.

### **Spade**

Spade division is dedicated to ENT surgeons and pediatricians, besides having a strong presence in the segments of general practitioners and consulting physicians. The product portfolio of Spade is more of an acute segment, consisting mainly of respiratory and anti-Infectives.

Febrex Plus and ATM are the major contributors to the division. While ATM outperformed the market in terms of growth, Febrex Plus faced some challenges owing to the relatively poor season witnessed by the anti-cold market during the year. Being a GP based brand, Febrex Plus faced challenges of declining prescriptions of the anti-cold market. Bactogard, the third largest brand of the division registered a healthy growth in the FY 2018-19. With the launch of Fluoren Nasal Spray, Spade looks forward to move up the value chain in ENT segment.

### **Warren NxGen**

Warren NxGen has a multispecialty focus comprising of dentists, ENTs, general practitioners and pediatricians. Many of the stomatological brands like, Sensodent KF, Lignox, Kidodent and Rexidin feature amongst the top five brands in the respective market. Considering the importance of creating awareness of oral hygiene from a young age, the division has embarked on a larger coverage of pediatricians.

Various activities like CMEs and medical camps have been conducted for doctors and patients to increase awareness about the importance of oral health care. Awareness programmes through different media have been planned to address low awareness on precancerous conditions under the guidance of Head & Neck oncologists.

### **Warren ACE**

Warren Ace maintained its 1<sup>st</sup> rank in the stomatological covered market and is a leader in the desensitizer toothpaste segment with its legacy brands.

The Warren Ace team caters to more than 46,000 dentists across India and is a pioneer in sensitivity management, with well-known brands like Sensodent-K and Sensoform.

The division predominantly focuses on two segments viz., sensitivity management and pain management. Apart from the two major toothpaste brands, the division has launched and built brands like Sensodent K Plus, T-Lac, Rexidin Plus have high growth opportunities. Looking at the growth opportunity in Dentistry and equity of Warren as a market leader, the division is the first one to identify and cater to the prescriptions (Rx), as well, as dispensing needs of the dentists.

### **Spera**

Spera caters to women's health and is a specialty division covering gynecologists. Spera gained two ranks and is now ranked 8<sup>th</sup> within its covered market. The product mix includes, pregnancy care and lifestyle management products. Methycal 2000, newly launched brand within the space of the Vitamin D3 market, is gaining fast momentum. Customer focus with brand campaigns and patient awareness activities, aids Spera to garner attention of the Key Opinion Leaders (KOLs). Participation in All India Gynecology Conference (AICOG) and various state conferences has strengthened the division's presence amongst gynecologists.

### **Indoco Focus**

The division's product portfolio comprises of chronic segment, catering to diabetologists and endocrinologists with Zilenta, Glychek, Praztac and Trucharge.

The division's foray in the gliptins market through the launch of teneligliptin brands, viz., Zilenta, Zilenta M and Zilenta M Forte has given the desired thrust, making presence of the division stronger in metabolic therapy.

Praztac-D has recorded Rx growth of 37% and jumped to 27<sup>th</sup> rank in a span of three years. The new brand, Trucharge contributes to around 4% of total prescriptions of Focus division. Scientific activities like, RTMs and CMEs have helped to increase the overall prescriber base.

Many new exciting launches will shape the Focus division as a Diabeto division and resources will be aligned to get due recognition for the division's range of products, from high end consulting physicians, endocrinologists and diabetologists.

### **Indoco CND**

CND division is making inroads in the cardio-diabetic market. Top brands like J-Ring, Cal-Aid, etc., are growing well. The division caters to super-specialists like cardiologists, diabetologists, endocrinologists, nephrologists and high end consulting physicians to strengthen its presence in the fast growing chronic segment. Creation of a sizeable prescriber base within consulting physicians and cardiologists by CND division denotes success in terms of its penetration within its major focused specialty.

The division's foray in the gliptins market through the launch of teneligliptin brands, viz., J-Ring, J-Ring M and J-Ring M Forte has given the desired thrust during the year. CND division's portfolio has the appropriate products, most of them being in the high value - high growth segment.

Many scientific and clinical activities have further helped the division to get closer towards realization of its set objectives, one being due recognition of Indoco CND's product range by high end CPs, cardiologists and diabetologists.

### Warren Excel and Vision

The ophthalmic divisions provide quality offerings for use in therapeutic management of ophthalmic disorders, as well as in ophthalmic surgery. These two divisions offer products with distinct superiority, based on exclusive technological advantage. The ingredients and packaging materials that go into the manufacture of some of the products are formulated in state-of-the-art plants, thereby offering world class quality to the Indian customers.

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

### Institution

The Institution division covers Central Health Departments, including, ESI, Railways, Defence and Municipal Corporations. In addition, the division deals with Government and Semi Government PSUs like BHEL, BEL, HAL, ONGC and Port Trust. Indoco is registered in most of the Government institutions in India and participates in annual and local tenders for branded and proprietary products. The division's personnel are in constant touch with the authorities in adding proprietary products with various formularies.

### New Product Launches:

A defined objective is kept in mind for the new launches in various divisions of the Domestic Market.

The brand value of the existing brands was strengthened by the introduction of extension of the major brands – Methycal 2000 in the gynaec portfolio and OH D3 Plus Drops in the paediatric portfolio.

Further, in order to expand the product basket in the ophthalmic market, products like Dexoren SP Eye ointment and Eye drops in the antibiotic and anti-inflammatory segment, Bepochek Eye Drops in the anti-allergic segment and Irimist Gel in the dry eye segment were launched.

The already strong respiratory product list was further enhanced with the addition of Fluoren Nasal Spray – the most effective preparation for allergic rhinitis.

New Products launched during the year:

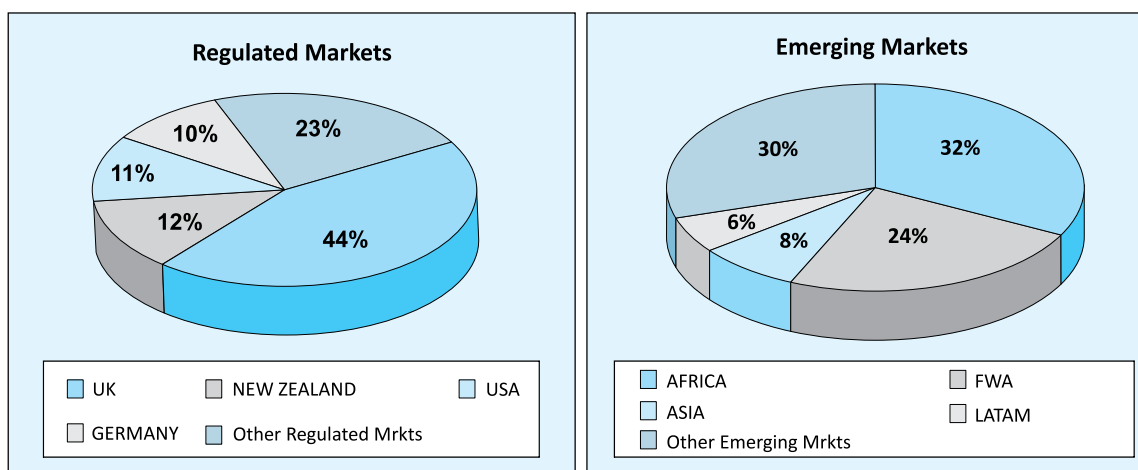
<i><b>Product</b></i>	<i><b>Division</b></i>	<i><b>Therapy</b></i>
Spear 30 gm Ointment	Indoco	Gastro Intestinal
Methycal 2000 Tablets 10s	Spera	Vitamins / Minerals / Nutrients
OH D3 Plus Drops 30 ml	Indoco	
Fluoren Nasal Spray	Spade	Respiratory
Rexidin SRS 150 ml	Warren Nxgen	Stomatologicals
Glychek M+ Tablets	Indoco Focus	Anti-Diabetic
Irimist Gel	Warren Excel	Ophthal / Otologicals
Bepochek Eye Drops		
Dexoren-SP Eye/Ear Drops		
Dexoren SP Eye Ointment		

### International Business:

International Business is a key thrust area for the Company and grew quite well in the past few years. However, in the last couple of years, the evolving regulatory guidelines and issues arising therefrom have impacted the revenues of International Business. Warning letter from USFDA and restricted GMP status from UK-MHRA resulted in stoppage of the manufacture of some of the products. These developments kept the Company busy with remediation process, which has now been completed, resulting in withdrawal of warning letter by USFDA. Reinstatement of full GMP status by UK-MHRA is expected as the Company has completed the two stage process of Focus audit and GMP audit by the UK-MHRA. The Company's finished dosages facilities in Baddi Plant-I & III received UK-MHRA nod. While Baddi Plant-I faced inspection for the fourth time successfully, for Baddi Plant-III, it was the first inspection. This has resulted in making substantial capacity available for supplies to Europe.

On the development front, the Company has kept the target of filing 6-8 ANDAs every year and have filed a number of injectable ANDAs to exploit maximum advantage of Indoco's sterile facilities. With number of ANDAs and Dossiers awaiting approval, the future for the Regulated markets looks optimistic.

### Country Wise / Region wise Sales Contribution



### US

The industry continues to witness drug pricing pressure from regulators, patients, politicians and aggressive negotiation tactics from buyers to drive down drug prices. Overcapacity and the emergence of big purchasing groups have had a negative impact on the manufacturer's margins. The healthcare industry saw several big vertical integrations between Aetna/CVS and Cigna/Express. These deals are touted as opportunities to gain efficiency and lower cost of care, but it is still too early to determine their long-term impact.

Indoco's business in the US suffered a set-back due to regulatory issues. With receipt of EIR on March 21, 2019 for Goa Plant-II & III, the Warning Letter has been lifted, paving the way for approval of pending ANDAs. Indoco has capabilities in the sterile space and will be fortifying its position in sterile manufacturing space. The Company will leverage its R&D skills and experience in developing

complex generics. Backward integration will be the way forward for the future pipeline for injectables, ophthalmics and oral solids, as Indoco looks forward to leverage its expertise in developing APIs on fast track and expanded API manufacturing capacities.

### **Europe**

Europe has continued to be a major contributor of sales in International Business and regulated markets in particular. During the year, sales from Europe region has crossed the ₹ 100 crore mark, despite the regulatory challenges. UK and Germany remain the top revenue generators for the region, followed by Spain and Eastern Europe, which also contribute substantially. Approved Decentralized Procedure (DCPs) in various countries of the region will ensure licensing revenue generation in the coming years.

Timely implementation of serialization for EU region was also a challenge during the year. The Company successfully implemented it within the set time frame. It has already started supplying serialised goods from all the GMP approved facilities. Baddi Plant-III being an additional oral solid facility with substantial manufacturing capacity will boost the revenue generation for the region in the coming years.

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

Indoco is a trusted and reliable manufacturing partner amongst multinational companies in South Africa, New Zealand & Australia. This enables the Company to develop and expand its business relationship with potential, as well as existing clients by collaborating on contract manufacturing, licensing, and contract development model. Indoco, having a competitive advantage in terms of technical expertise, competitive pricing and timely supplies, has been able to win tenders from South Africa & New Zealand.

Currently, New Zealand contributes to approximately 65% of total annual turnover from SAANZ region. The revocation of EU GMP certification by MHRA in March 2018 had a direct impact on TGA, Australia and MEDSAFE (Health Authority of New Zealand), leading to stoppage of supplies from this facility. However, timely submission of the convincing quality compliance report helped the Company to restart the supplies to New Zealand.

### **Emerging Markets**

Indoco continues to register a robust growth in Africa over the previous year. Kenya and Tanzania continue to be strong pillars with their substantial contribution to total business. In the French West Africa (FWA), Indoco jumped from 13<sup>th</sup> to 8<sup>th</sup> rank among the Indian Companies.

In Sri Lanka, Indoco continues to spread its product portfolio, strengthening product visibility and availability. The Company's Goa Plant-I received approval from MOH-Ukraine, helping the Company to restart supplies there. Malaysia region also registered growth over the last financial year.

The top 3 brands that have contributed to the sales of the Rest of the World (RoW) are ABZ, Nasic and Flamar. As on date, the Company has 309 product registrations and 194 dossiers under registrations.

**API Business:**

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

USFDA inspections were successfully completed at Indoco's existing API manufacturing facilities at Patalganga and Rabale, Navi Mumbai. The inspection at Patalganga facility was from 7<sup>th</sup> to 11<sup>th</sup> May 2018 and at Kilo lab facility from 14<sup>th</sup> to 17<sup>th</sup> May 2018. During the audit, the USFDA inspected the entire quality management systems to ensure compliance with federal regulations. The inspection included a review of production facility, processes, training records, quality systems and control procedures. The Kilo lab facility received zero 483s from the agency, while the Patalganga facility received 3 observations, which were responded suitably. The EIR for both the facilities has been received. The Patalganga API facility has also received GMP clearance from TGA, Australia and the Kilo lab facility also received approval from Ministry of Food and Drug Safety (MFDS), Korea and Pharmaceuticals and Medical Devices Agency (PMDA), Japan during the year.

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

**Research and Development:**

Indoco's R&D centre, located at Rabale, Navi Mumbai has a skilled team of around 300 scientists involved in the research and development of Active Pharmaceutical Ingredients (APIs), as well as finished dosage forms like tablets, capsules, ophthalmics, injectables, oral solutions, suspensions, as well as topicals. The state-of-the-art infrastructure is equipped with latest and sophisticated analytical instrumentation and software. Several studies on Extractables and Leachables for injectables, as well as for ophthalmics are undertaken in this facility. Studies on elemental impurities, as per ICH Q3D, which is now mandatory for regulatory submissions are also performed using advanced instrumentation. Identification of unknown impurities and its characterization is also routinely performed in the analytical laboratory. The Formulations Research Centre is currently involved in the development of several injectables and complex ophthalmic suspensions involving bio waiver strategies. The Company has successfully developed bio-equivalent products for an anti-malarial combination with very high in-vivo variability and has some more anti-malarial products under development.

**Regulatory Affairs:**

Indoco's Regulatory team comprises of 35 specialists, who are engaged in submissions of Dossiers, which embraces complex dosage forms, including Ophthalmics, Parenterals and Extended Release Products to Regulatory Authorities across the globe. Regulatory submissions in different Emerging



markets are pursued as well, which have resulted in registrations of over 750 dossiers through more than 50 countries till date.

In addition, Indoco regulatory has submitted Drug Master Files for 22 Active Pharmaceuticals. A total of 118 Drug Master Files, comprising of 17 USDMF & 8 CEPs, have been registered globally to support commercial supplies in the US, Europe, Canada, Japan, Australia, New Zealand, Korea, Taiwan, Russia, China and different Emerging markets.

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

#### **AnaCipher:**

##### **Analytical Research Services, Rabale:**

Indoco Analytical Solution, a division of Indoco Remedies Ltd. is a cGMP Laboratory established in 2012, as an Analytical Service provider, catering to all major pharmaceutical and affiliated companies globally. This division functions as one stop solution for all specific and complex analytical requirements. Indoco Analytical Solution has successfully cleared USFDA inspection twice, in 2012 and 2018, with Zero Observations (FEI: 3006620783 and DUNS: 650932622). The facility is equipped with the following hi-tech machinery and infrastructure:

- ❖ HPLC equipped with UV, PDA, RI and Fluorescence detector
- ❖ Post column derivatization assembly
- ❖ Gas chromatograph (GC) equipped with TCD (Thermal conductivity detector) and FID (Flame ionization detector), Autosampler and Head space
- ❖ Gas chromatograph head space mass spectrometer (GC-HS-MS)
- ❖ DSC and TGA
- ❖ X-ray diffraction (powder diffraction)
- ❖ Liquid chromatography mass spectrometer (LC –MS)
- ❖ UV visible spectrophotometer
- ❖ Particle size analyzer (Dry and wet method)
- ❖ Optical Microscope
- ❖ FTIR (Infrared spectroscopy) with DRS, ATR Liquid cell and Pellet sample assembly
- ❖ Polarimeter
- ❖ Flash chromatograph
- ❖ Autopurifier equipped with UV and PDA detector

#### **Services offered :**

##### **Characterization**

- Isolation and characterization of impurities and degradation products
- Isolation of trace impurities, genotoxic impurities
- Structure identification of unknown impurities and trace impurities
- Impurity profiling



**Crystallography**

- Phase analysis
- Quantitative analysis
- Crystalline/Amorphous Ratio Determination
- Solid-state Materials Analysis
- Polymorphism
- Crystal structure and morphology
- Reflectometry

**Thermal Analysis**

- Melting temperatures
- Heat of melting, heat of fusion, vaporization and crystallization
- Glass Transition
- Excipients compatibility
- Endothermic effect
- Exothermic effect
- Thermal stability
- Thermal Formulation Stability
- Decomposition Temperature
- Oxidative Stability Studies
- Oxidative Induction Times (OIT) by DSC (Differential scanning calorimetry)
- Percentage Crystallinity
- Temperatures and heat of fusion, vaporization and crystallization
- Heat of reaction, including polymerization, oxidation and combustion
- Temperature and heat of decomposition (e.g. dehydration)
- Heat of solution, adsorption or desorption
- Specific heat, Activation energy, Polymer Crystallinity, Curing time
- Material purity, Thermal and Oxidative stability
- Reactivity and Reaction rates

**Extractable and Leachables**

- Extractable and Leachables (both organic and inorganic) study in drug product, container closure systems (CCS), drug delivery systems such as pre-filled syringes and vials, orally inhaled and nasal.
- Development and validation of analytical methods
- Genotoxic and Potential Extractable and Leachables studies
- Establishment of Specification and acceptance criteria
- Study stability sample for establishment of Leachables maximum level
- Qualification of Extractable and Leachables
- Risk Assessment

## **Analytical method development and validation**

### **Trace level and genotoxic Impurities**

### **Photostability and Forced degradation studies**

Indoco Analytical Solution complies with all the cGLP norms along with advanced technologies and competent scientist to support the customer in solving the complex and challenging analytical queries, resulting in high quality products to the market.

### **AnaCIPHER, Clinical Research Organisation (CRO), Hyderabad:**

AnaCIPHER CRO is a division of Indoco, specialized in Bio-Availability and Bio-Equivalence (BA / BE) studies. The state-of-the-art-facility is spread over 30,000 sq. ft. area, located in Hyderabad, Telangana. The center is equipped with a total of 98-beds divided into three independent clinics- each having monitoring stations, phlebotomy stations, dining & recreation and sample separation.

The facility houses a four-bed ICU with key equipment's like ECG, Defibrillator, Multipara monitor and Suction apparatus & has tied up with tertiary care hospital for handling emergencies.

A state-of-the-art bio-analytical lab with 5 LC-MS/MS (AB SCIEX) supports the in-house bioanalysis of the clinical samples. All the softwares are validated by third party and complies with 21 CFR Part 11 requirements. IT infrastructure includes high end servers (File server & Domain controller), an onsite and offsite backup. Other capabilities include electronic data management using Oracle Clinical & eCTD (electronic Common Technical Document) submission.

More than 500 studies have been conducted & about 200 methods have been validated.

AnaCIPHER CRO has been successfully audited by the following regulatory agencies as on date:

<i><b>Regulatory agency</b></i>	<i><b>No. of inspections</b></i>
Drug Controller General of India (DCGI)	8
World Health Organization (WHO)	1
United States Food and Drugs Administration (USFDA)	7
National Agency for Medicines and Health Products Safety (ANSM France) & The Netherlands (Joint Inspection)	1
UK's Medicines and Healthcare Products Regulatory Agency (UK-MHRA)	1
Thailand FDA	1
Agencia Nacional de Medicamentos (ANAMED), Chile	1
National Accreditation Board for Testing and Calibration Laboratories, (NABL) ISO 15189:2012	7

The systems and procedures are robust to conclude last two USFDA inspections with ZERO 483s.

AnaCipher CRO has a database of more than 15,000 healthy human volunteers and has tied up for the implementation of a 'Common Volunteer Database Management System' to track volunteers cross participation across all the CROs in Hyderabad.

The facility offers an end to end services -

- ❖ Bioavailability & Bioequivalence (Single / multiple dose)
- ❖ Two-way crossover
- ❖ Partial / Full replicate
- ❖ Steady state
- ❖ Food effect
- ❖ Taste evaluation formulation studies

The scope of end to end services includes -

- ❖ Protocol preparation including Sample Size estimation
- ❖ Regulatory approval
- ❖ Ethics committee approval
- ❖ Conduct of clinical phase
- ❖ Bioanalysis
- ❖ Pharmacokinetic and statistical reports
- ❖ Integrated Reports (ICH/E3)
- ❖ Archival of study data

AnaCipher CRO uses Oracle Clinical/RDC CTMS system for effective management of study data and compiled no. of studies including CDISC for submission to USFDA by various sponsors. The pharmacokinetic and statistical analysis is carried out using validated WinNonlin 8.1 and SAS 9.4 (Global license)

An independent Quality Assurance (QA) department performs regular quality assessments of the facilities' services to ensure compliance with all regulatory agencies and international GCP regulations such as ICH.

#### **Intellectual Property Rights (IPR):**

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

Status of patents applications filed for finished dosages and API manufacturing processes:

<i><b>Patent Applications</b></i>	<i><b>India</b></i>	<i><b>PCT</b></i>	<i><b>Europe</b></i>	<i><b>USA</b></i>	<i><b>Japan</b></i>	<i><b>Total</b></i>
FDFs	15	2	2	2	-	21
APIs	39	18	5	4	1	67
<b>Total</b>	<b>54</b>	<b>20</b>	<b>7</b>	<b>6</b>	<b>1</b>	<b>88</b>

Out of the 88 patent applications filed, 28 are granted, 21 for APIs and 7 for Finished Dosage forms (FDFs).

Indoco's R&D efforts received due recognition with the 'Best Process Patent Award for the year 2017-2018' for two granted Indian patents and one US granted Patent. This award was presented at Indian Drug Manufacturers Association's 57<sup>th</sup> Annual Day celebrations held in Mumbai on January 19, 2019.

**e) Human Resources:**

The Indian Pharmaceutical Industry is going through a tough time in addressing the strict Regulatory Compliances. To comply with the evolving regulatory challenges, the Company has designed the 'RESONANCE' training module on Behavioural Excellence in collaboration with IPH (Institute for Psychological Health). The module covers topics such as, Satvas of ALCOA Plus, Audit Anxiety, Naksha-the Roadmap, Balancing Micro & Macro, Perfection to Excellence, Error & Remediation, Sach Aur Sacchai and Critical Terminology. On the basis of 'Train the Trainer' concept, the HR team in consultation with the Department Heads, identified the SMEs (Subject Matter Experts) to create awareness on regulatory compliance.

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

The Team continued to conduct Employee Engagement activities for its employees like, ME2WE, which was launched last year and was successful in bringing together cross functional departments thereby, strengthening and creating bond between the employees. The team also conducted activities like Women's Day celebrations, Dussehra Pooja, Diwali Fun Fiesta, World Heart Day, Blood Donation Camps, etc.

Various other initiatives undertaken by HR include, IMPACT (Indoco's Management Program for Achieving Competitive Talents) and CLIMB (Cluster of Learning at Indoco for Mutual Benefit). Under IMPACT, the team has continued to conduct Soft Skills training at H.O., Rabale and Patalganga to create a healthy and stress free working environment & has now extended this initiative to manufacturing locations at Goa. Under the CLIMB initiative, various training sessions were conducted by renowned professionals, for Yoga, Meditation & Naturopathy, Financial Planning, Cardiac Pulmonary Resuscitation (CPR), etc.

The team has also successfully implemented the Human Resource Management System (HRMS) Portal 'SAMWAD' at its manufacturing locations at Patalganga, Waluj, Corporate Technical Wing (CTW) and all three facilities at Goa. The System covers features like Employee Information, Online Recruitment Module, Performance Management Systems (PMS) and the Online Investment Declaration Module.

The HR team at Indoco makes a constant effort to create a healthy and safe working environment for its people.

**f) Future Outlook:**

The Company's Domestic business continues to focus on brand building, new product launches, thrust on sub-chronic (Speciality) segment and penetration in the North and East Region.

Going forward, the Company's business from US is expected to grow as ANDAs will be commercialized at regular intervals as the USFDA's warning letter has been lifted. Reinstatement of the EU-GMP compliance certificate for Goa Plant-I and the latest EU-GMP approval of newly acquired solid dosages manufacturing facility at Baddi Plant-III will also boost the EU business. Indoco is also consolidating its position in the Emerging Markets through active brand promotion. A robust pipeline in multiple dosage forms will enable the Company to have an upper edge over its competitors in the international business.

Expertise in Research & Development, backward integration in API in select products, own CRO set-up, excellence in finished dosages manufacturing and a strong customer base makes the Company, a preferred partner, offering complete solutions to generic companies worldwide.



## **Independent Auditors' Report** to the Members of Indoco Remedies Limited

### **Report on the Standalone Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying standalone Ind AS financial statements of **Indoco Remedies Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss including Other Comprehensive Income, Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information ("the standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and loss, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

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

Sr. No.	Key Audit Matter	Auditor's response
1.	<p>Direct and Indirect Tax receivables and contingent liabilities pertaining to tax matters under dispute.</p> <p>The company has reflected ₹ 15,112.68 lakhs as receivables of Sales Tax, Entry Tax, GST Input credit, Income Tax, MAT credit etc. as at March 31, 2019. Further, the company is a party to litigations in respect of various statutory dues where the amounts demanded are to the tune of ₹ 13.59 crores (of this, an amount of ₹ 4.06 crores has been deposited under protest)</p> <p>Contingent liabilities as defined in Ind AS 37 require assessment of probable outcomes and cash flows. The identification and quantification of contingent liabilities require estimation and judgement by the management. The ultimate recoverability of receivables is based on outcome of those proceedings and require inputs from subject specialists, management judgement and therefore required significant audit attention.</p>	<p>We have carried out the validation of the information provided by the management by performing the following procedures:</p> <ol style="list-style-type: none"> <li>Evaluating the reasonableness of the underlying assumptions</li> <li>Examining the relevant documents on record.</li> <li>Relying on relevant external evidence available including applicable judicial pronouncements and industry practices.</li> <li>Getting representations from the management wherever necessary.</li> </ol>
2.	<p>Provisions for sales returns</p> <p>The company provides for sales returns on an estimated basis as a percentage of sales. Such an estimate is arrived at on the basis of average of actual sales return over the last 3 financial years. Such estimation is based on management best judgement of the probability of sales returns. Provision for sales return amounted to ₹ 2,428.81 lakhs as on March 31, 2019</p> <p>Refer Note no. 27 to the Standalone Financial Statements.</p>	<p>We have carried out the validation of the information provided by the management by performing the following procedures:</p> <ol style="list-style-type: none"> <li>Validating the process consistently implemented by the management in arriving at the estimates.</li> <li>Correlating the amounts of actual sales returns with the provisions made.</li> <li>Getting representations from the management wherever necessary.</li> </ol>
3.	<p>Intangible assets under development</p> <p>The company undertakes several projects for new product development. Once the regulatory approvals are received, such items are reclassified as Intangible Assets in the books of accounts.</p> <p>The management makes an assessment as to whether all such projects are capable of being completed and capable of getting the requisite regulatory approvals. On the basis of such assessment, the costs incurred on such projects till the time regulatory approvals are obtained are reflected in the financial statements as "Intangible assets under development"</p> <p>The quantum of Intangible assets under development as at March 31, 2019 was ₹ 4,420.07 lakhs. Refer Note no. 4 to the Standalone Financial Statements.</p>	<p>We have carried out the validation of the information provided by the management by performing the following procedures:</p> <ol style="list-style-type: none"> <li>Obtaining detailed listing of all projects under development.</li> <li>Evaluating management judgement of technical and commercial feasibility of such projects and comparing the same with past record of such regulatory approvals.</li> <li>Getting representations from the management wherever necessary.</li> </ol>

<b>Sr. No.</b>	<b>Key Audit Matter</b>	<b>Auditor's response</b>
4.	<p>IT Systems and controls</p> <p>Preparation of financial statements is highly dependent on IT systems employed by the company and other supporting software and hardware controls. Further, the company also has separate software applications for its Billing and Recovery process, Payroll process and an ERP solution for the routine accounting. Transfer of data from / to these softwares is critical for accurate compilation of financial information necessary for audit. Appropriate IT controls are required to ensure that these IT applications process data as expected, and changes are made in an appropriate manner. Such controls contribute to mitigating the expected risk of erroneous output data. Our audit outcome is dependent on the extant IT controls and systems.</p>	<p>We have planned, designed and carried out the desired audit procedures and sample checks which in our opinion is adequate to provide reasonable assurance on the adequacy of IT controls in place. In addition, we have relied on IS and other related audit reports provided by the management.</p>

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

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the 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 Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- i. Identify and assess the risks of material misstatement of the 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.
- ii. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under the section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.
- v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under;
  - e. on the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act;
  - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
  - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer note 46 to the standalone Ind AS financial statements.
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor, Education and Protection Fund by the Company.
3. As required by Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

**Rahul Joglekar**  
Partner  
Membership No. 129389

Place : Mumbai  
Date : May 29, 2019



## **ANNEXURE A**

### **to Independent Auditors' Report**

#### **as required by the Companies (Auditor's Report) order, 2016**

*(Referred to in our Report of even date on financial statements of Indoco Remedies Limited as at March 31, 2019)*

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

1.
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) As explained to us, the company has a regular programme of physical verification of fixed assets by the management so as to cover all the fixed assets over a period of five years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations provided to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company. In respect of immovable properties which have been taken on lease and disclosed as property, plant and equipment in the standalone Ind AS financial statements, the lease agreements are in the name of the Company.
2. In our opinion and according to the information and explanations provided to us, the inventories have been physically verified by the management during the year. In our opinion the frequency of such verification is reasonable. In our opinion and as explained to us, there were no material discrepancies noticed on physical verification of inventories as compared with the books of account.
3. The Company has granted an unsecured loan to one party covered in the register maintained under Section 189 of the Act.
  - a) In our opinion and according to the information and explanations provided to us, the rate of interest and other terms and conditions on which the loan had been granted to party covered in the register maintained under Section 189 of the Act were, prima facie, not prejudicial to the interest of the Company.
  - b) In the case of loan granted to the body corporate listed in the register maintained under Section 189 of the Act, the borrower has been regular in the payment of the interest as stipulated.
  - c) There is no overdue amount in respect of the loan granted to the body corporate listed in the register maintained Section 189 of the Act as the loan has been completely repaid during the year under audit.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
5. In our opinion and according to the information and explanation given to us The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.

6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) (d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales tax, Service tax, Custom duty, Excise duty, Value Added tax, Cess and any other material statutory dues have been generally regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable
- (b) According to the information and explanation given to us there are no dues of customs duty and service tax that have not been deposited on account of any dispute. However, according to the information and explanation given to us the following dues of income tax, central excise and sales tax have not been deposited by the Company on account of disputes:

<i>Sr. No.</i>	<i>Particulars</i>	<i>Financial year to which matter pertains</i>	<i>Forum where dispute is pending</i>	<i>Amount (Rupees in lakhs)</i>
1	Income Tax Act, 1961	2007-08	DCIT(TDS), Mumbai	0.58
		2008-09		0.11
		2009-10		0.69
		2010-11		4.77
		2011-12		0.58
		2012-13		0.39
		2013-14		0.54
		2014-15		1.40
		2015-16		0.01
		2016-17		0.01
		2017-18		0.05
2	Central Excise Act, 1944	1995-96	CESTAT	0.66
		1997-98	Divisional Dy. Comn. Boisar	3.40
		1997-98	Honbl. Supreme Court	2.92
		1997-98	Div. Dy. Comn. Mumbai	0.98
		1998-99	Div. Dy. Comn. Boisar	1.64
		2006-07	CESTAT	91.97
		2007-08	Comm.- Service tax, Mumbai	247.21
		Various	CESTAT	11.20
		2010-14	Principal Comm. of Central Excise, Raigad	139.78
3	Sales Tax	2005-09	The Commercial Tax Officer, Nacharam Circle, A.P.	94.90
		2007-08	Commissioner Goa Sales Tax	9.03
		2009-10	Commissioner Goa Sales Tax	11.18
		2009-10	The Commercial Tax Officer, Nacharam Circle, A.P.	33.09
		2010-11		52.77
		2011-12		66.92
		2012-13		65.53
		2013-14		91.29
		2014-16	The Commercial Tax Officer, Seemadhra	19.35

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank, Government or debenture holders.
9. In our opinion and according to the information and explanations given to us, the Company has raised term loans and the term loans so raised have been applied for the purpose for which these were obtained. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year under audit.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

Place : Mumbai  
Date : May 29, 2019

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

**Rahul Joglekar**  
*Partner*  
Membership No. 129389

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

*(Referred to in our Report of even date on financial statements of Indoco Remedies Limited as at March 31, 2019)*

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

We have audited the internal financial controls over financial reporting of Indoco Remedies Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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.

Place : Mumbai  
Date : May 29, 2019

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

**Rahul Joglekar**  
*Partner*  
Membership No. 129389

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## Balance Sheet

As at March 31, 2019

Particulars	Note No.	March 31, 2019	March 31, 2018
(₹ lakhs)			
<b>ASSETS</b>			
<b>Non Current Assets</b>			
(a) Property, Plant and Equipment .....	3	41,657.99	44,106.79
(b) Capital Work in Progress .....	3	14,122.90	7,577.64
(c) Intangible Assets .....	4	5,094.05	4,765.91
(d) Intangible Assets under Development .....	4	4,420.08	5,978.17
(e) Financial Assets			
(i) Investments .....	5a	244.42	261.43
(ii) Loans .....	6	125.62	106.77
(iii) Other Financial Assets .....	7	506.93	1,600.97
(f) Deferred Tax Assets (Net) .....	8	3,554.22	3,135.43
(g) Income Tax Assets (Net) .....	9	918.11	306.56
(h) Other Non Current Assets .....	10	1,535.27	2,244.96
<b>Total, Non current Assets</b> .....		<b>72,179.59</b>	<b>70,084.63</b>
<b>Current Assets</b>			
(a) Inventories .....	11	18,337.38	19,323.06
(b) Financial Assets			
(i) Investments .....	5b	—	—
(ii) Trade Receivables .....	12	19,446.53	20,782.58
(iii) Cash and Cash Equivalents .....	13	2,071.90	848.50
(iv) Bank Balances other than (iii) above .....	14	1,546.33	332.22
(v) Loans .....	15	41.48	58.79
(vi) Other Financial Assets .....	16	1,015.28	198.87
(c) Other Current Assets .....	17	11,191.48	12,171.17
<b>Total Current Assets</b> .....		<b>53,650.38</b>	<b>53,715.19</b>
<b>Total, Assets</b> .....		<b>125,829.97</b>	<b>123,799.82</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital .....	18	1,843.01	1,843.01
(b) Other Equity .....	19	64,265.31	65,712.87
<b>Total Equity</b> .....		<b>66,108.32</b>	<b>67,555.88</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings .....	20	12,865.71	12,327.59
(ii) Other Financial Liabilities .....	21	731.95	711.49
(b) Provisions .....	22	1,590.94	1,266.19
(c) Other Non-Current Liabilities .....	23	—	250.00
<b>Total, Non-Current Liabilities</b> .....		<b>15,188.60</b>	<b>14,555.27</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings .....	24	11,339.36	10,993.14
(ii) Trade Payables	25	6.66	97.76
Total Outstanding Dues of Micro Enterprises and Small Enterprises .....		17,063.75	14,846.71
(iii) Other Financial Liabilities .....	26	10,927.72	10,219.94
(b) Provisions .....	27	4,421.26	3,819.45
(c) Other Current Liabilities .....	28	774.30	1,711.67
<b>Total, Current Liabilities</b> .....		<b>44,533.05</b>	<b>41,688.67</b>
<b>Total, Liabilities</b> .....		<b>59,721.65</b>	<b>56,243.94</b>
<b>Total, Equity and Liabilities</b> .....		<b>1,25,829.97</b>	<b>1,23,799.82</b>

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

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

**Rahul Joglekar**  
Partner  
M. No. 129389

**Aditi Panandikar**  
Managing Director  
DIN : 00179113

**Mandar Borkar**  
CFO

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

**Jayshankar Menon**  
Company Secretary

Mumbai : May 29, 2019



## Statement of Profit and Loss Account

For the year ended March 31, 2019

	Note No.	Year ended March 31, 2019	(₹ lakhs) Year ended March 31, 2018
<b>Income</b>			
(a) Revenue from Operations .....	29	96,773.33	1,04,157.40
(b) Other Income .....	30	615.47	478.93
<b>Total Income (I) .....</b>		<b>97,388.80</b>	<b>1,04,636.33</b>
<b>Expenditure</b>			
(c) Cost of Materials Consumed .....	31	24,008.89	27,812.73
(d) Purchase of Stock in Trade .....	31	6,676.57	6,460.72
(e) Changes in Inventories of Finished Goods, Stock in Trade & Work in Progress .....	31	1,332.18	330.00
(f) Excise Duty on Sale of Goods .....	31	—	336.04
(g) Employee Benefit Expenses .....	32	23,126.49	22,033.86
(h) R&D Expenses .....	33	5,151.55	5,348.97
(i) Finance Costs .....	36	2,053.89	2,350.74
(j) Depreciation and Amortization Expense .....	34	7,156.41	6,770.58
(k) Other Expenditure .....	35	28,807.17	28,350.07
<b>Profit / (Loss) before Tax</b>		<b>(924.35)</b>	<b>4,842.62</b>
(l) Provision for Tax	37		
(a) Current .....		—	1,107.39
(b) Deferred .....		(640.24)	(384.34)
<b>Total Taxes .....</b>		<b>(640.24)</b>	<b>723.05</b>
<b>Profit / (Loss) for the year</b>		<b>(284.11)</b>	<b>4,119.57</b>
(m) <b>Other Comprehensive Income</b>			
<u>Items that will not be reclassified to profit and loss</u>			
i) Remeasurements of post-employment benefit obligations .....	38	(80.74)	35.26
ii) Income tax relating to this item .....	37	28.21	(12.32)
<b>Total Other Comprehensive Income</b>		<b>(52.53)</b>	<b>22.94</b>
<b>Total Comprehensive income for the year</b>		<b>(336.64)</b>	<b>4,142.51</b>
(n) <b>Earnings Per Share</b>			
<b>Basic &amp; Diluted (₹) .....</b>	44	<b>(0.31)</b>	<b>4.47</b>

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

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

**Rahul Joglekar**  
Partner  
M. No. 129389

**Aditi Panandikar**  
Managing Director  
DIN : 00179113

**Mandar Borkar**  
CFO

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

**Jayshankar Menon**  
Company Secretary

Mumbai : May 29, 2019

## Cash Flow Statement

For the year ended March 31, 2019

	Year ended March 31, 2019	Year ended March 31, 2018	(₹ lakhs)
<b>(A) Cash Flow from Operating Activities :</b>			
<b>Net Profit / (Loss) before tax and extraordinary item</b>	<b>(924.35)</b>		4,842.62
Adjustments for :			
Depreciation and Amortisation Expense	7,156.41	6,770.58	
Profit on sale of Fixed Assets	(0.31)	(171.55)	
Loss on sale of Fixed Assets	20.65	16.36	
Sundry Balance written back	(110.29)	(35.40)	
Provision for Doubtful Debts / Bad Debts	601.02	754.98	
Investment in Subsidiaries Written off	29.02	9.90	
Dividend receivable from Subsidiary Written off	—	14.01	
Interest Income	(155.71)	(221.03)	
Dividend received on Investments	(0.32)	(0.27)	
Unrealised Foreign Exchange (Gain) / Loss	(730.16)	727.94	
Finance Cost (Other than Unrealised Foreign Exchange (Gain) / Loss)	2,123.69	1,916.14	
	<b>8,934.00</b>		9,781.66
<b>Operating Profit before Working Capital Change</b>	<b>8,009.65</b>		<b>14,624.28</b>
Adjustments for:			
Decrease / (Increase) in Trade Receivables	1,395.40	(257.80)	
Decrease / (Increase) in Other Current Financial Assets	(799.10)	1,187.94	
Decrease / (Increase) in Other Current Assets	979.65	(2,922.64)	
Decrease / (Increase) in Inventories	985.68	(818.72)	
Decrease / (Increase) in Other Non Current Financial Assets	1,081.25	91.57	
Decrease / (Increase) in Other Non Current Assets	(33.96)	(169.71)	
Increase / (Decrease) in Trade Payables	2,236.23	(1,437.51)	
Increase / (Decrease) in Non Current Financial Liabilities	20.46	13.26	
Increase / (Decrease) in Non Current Provisions	244.01	176.89	
Increase / (Decrease) in Other Non Current Liabilities	(250.00)	(194.67)	
Increase / (Decrease) in Current Financial Liabilities	41.53	1,382.48	
Increase / (Decrease) in Current Provisions	601.82	242.91	
Increase / (Decrease) in Other Current Liabilities	(937.37)	1,346.95	
	<b>5,565.60</b>		(1,359.05)
<b>Cash generated from Operations</b>	<b>13,575.25</b>		<b>13,265.23</b>
Income Tax Paid (Net of Refund)	(361.88)		(989.21)
<b>Net Cash generated from Operating Activities (A)</b>	<b>13,213.37</b>		<b>12,276.02</b>

## Cash Flow Statement

For the year ended March 31, 2019

... Contd. from previous page

(₹ lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
<b>(B) Cash Flow from Investing Activities</b>		
Payment towards Capital Expenditure	(9,694.86)	(13,944.76)
Sale of Fixed Assets	395.27	218.48
Payment on purchases of Investments	(12.01)	(3.23)
Bank Balance not considered as Cash & Cash Equivalents	(1,214.10)	(104.36)
Interest Received	149.65	290.59
Dividend received on Investments	0.32	0.27
<b>Net Cash used in Investing Activities (B)</b>	<b>(10,375.73)</b>	<b>(13,543.01)</b>
<b>(C) Cash Flow from Financing Activities</b>		
Finance Cost (Other than Unrealised Foreign Exchange (Gain) / Loss)	(2,081.76)	(1,902.11)
Dividend Paid	(1,109.37)	(1,773.08)
Proceeds from Long Term Borrowings	6,166.30	3,808.00
Repayment of Long Term Borrowings	(4,886.86)	(3,122.58)
Proceeds / (Repayment) from Short Term Borrowings	297.45	(886.81)
<b>Net Cash inflow / (outflow) from Financing Activities ( C )</b>	<b>(1,614.24)</b>	<b>(3,876.58)</b>
<b>Net Increase / (Decrease) in Cash or Cash Equivalents (A+B+C)</b>	<b>1,223.40</b>	<b>(5,143.57)</b>
<b>Cash and Cash Equivalents at the beginning of the Financial Year</b>	<b>848.50</b>	<b>5,992.07</b>
<b>Cash and Cash Equivalents at the end of the Financial Year (Refer Note 13)</b>	<b>2,071.90</b>	<b>848.50</b>

### Notes:

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

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

**Rahul Joglekar**  
Partner  
M. No. 129389

**Aditi Panandikar**  
Managing Director  
DIN : 00179113

**Mandar Borkar**  
CFO

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

**Jayshankar Menon**  
Company Secretary

Mumbai : May 29, 2019

## Statement for Changes in Equity

For the year ended March 31, 2019

### a. Equity Share Capital

(₹ lakhs)

Particulars	Note No	Amount
As at April 1, 2017	18	1,843.01
Changes in Equity Share Capital		—
<b>As at March 31, 2018</b>		<b>1,843.01</b>
Changes in Equity Share Capital		—
<b>As at March 31, 2019</b>		<b>1,843.01</b>

### b. Other Equity

(₹ lakhs)

Particulars	Note No.	Reserves & Surplus				Total Other Equity
		Securities Premium	Capital reserve	General reserve	Retained Earnings	
<b>Balance as at April 1, 2017</b>	19	<b>6,420.93</b>	<b>0.02</b>	<b>25,817.64</b>	<b>31,106.35</b>	<b>63,344.94</b>
Profit for the year		—	—	—	4,119.57	4,119.57
Other comprehensive income for the year		—	—	—	22.94	22.94
<b>Total Comprehensive income for the year</b>		—	—	—	4,142.51	4,142.51
Dividends (including dividend distribution tax of ₹ 300.16 lakhs)		—	—	—	(1,774.58)	(1,774.58)
Transfer to General Reserve		—	—	—	—	—
Exchange gain/(loss) on translation during the year		—	—	—	—	—
<b>Balance as at March 31, 2018</b>		<b>6,420.93</b>	<b>0.02</b>	<b>25,817.64</b>	<b>33,474.28</b>	<b>65,712.87</b>
<b>Balance as at April 1, 2018</b>		<b>6,420.93</b>	<b>0.02</b>	<b>25,817.64</b>	<b>33,474.28</b>	<b>65,712.87</b>
Profit / (Loss) for the year		—	—	—	(284.11)	(284.11)
Other comprehensive Income for the year		—	—	—	(52.53)	(52.53)
<b>Total comprehensive income for the year</b>		—	—	—	(336.64)	(336.64)
Dividends (including dividend distribution tax of ₹ 189.42 lakhs)		—	—	—	(1,110.92)	(1,110.92)
Transfer to General Reserve		—	—	—	—	—
Exchange gain/(loss) on translation during the year		—	—	—	—	—
<b>Balance as at March 31, 2019</b>		<b>6,420.93</b>	<b>0.02</b>	<b>25,817.64</b>	<b>32,026.72</b>	<b>64,265.31</b>

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

Remeasurement loss (net of tax) on defined benefit plan ₹ 52.53 lakhs [Remeasurement gain (net of tax) Previous year ₹ 22.94 lakhs] is recognised during the year as part of Retained Earnings.

# Notes to Financial Statements (Standalone)

## For the year ended March 31, 2019

### Corporate Information

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

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

#### a) Basis of Preparation

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

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

Effective April 1, 2016, the company has adopted all the IND AS standards and the adoption was carried out in accordance with IND AS 101, First-time Adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed Under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 1, 2015 being the date of transition to Ind AS.

##### (ii) Historical cost convention

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

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

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

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

##### (iv) Rounding of amounts

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

#### b) Segment Reporting

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

#### c) Foreign Currency Translation

##### (i) Functional and presentation currency

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

**(ii) Transactions and balances**

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

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

**d) Revenue Recognition**

The company derives major portion of its revenue from manufacturing and marketing of Formulations (Finished Dosage Forms) and Active Pharmaceutical Ingredients (APIs). Other sources of revenue include Dossiers development, Analytical Studies and Bio-equivalent studies undertaken by the Company on behalf of customers.

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

**Recognising revenue from major business activities**

**(i) Sale of goods – FDF and API**

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

**(ii) Revenue from services**

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

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

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

**(iii) Other operating revenue - Export incentives**

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

**(iv) Sales Return**

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

**e) Government Grants**

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

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

**f) Income Tax**

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

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

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

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

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**g) Business Combinations**

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

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

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

Acquisition-related costs are expensed as incurred.

The excess of the

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

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

**h) Cash and Cash Equivalents**

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

**i) Cash Flow Statements**

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

**j) Trade Receivables and contract balances**

The company classifies the right to consideration in exchange for deliverables as a receivable. Trade receivables are presented net of impairment in the Balance Sheet

**k) Inventories**

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

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

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

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

**m) Derivatives and Hedging Activities**

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



**n) Property, Plant and Equipment**

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

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

***Transition to Ind AS***

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

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

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

<i>Asset Class</i>	<i>Useful Life</i>
Building and Premises – Office	60 years
Building and Premises – Factory	30 years
Plant and Machinery	15 years
Handling Equipment	15 years
Pollution Control Equipment	10 years
Laboratory Equipment	10 years
R & D Equipment	10 years
Plant Utilities	15 years
Electric Installation	10 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Computers - Desktops, Laptop etc.	3 years
Computers - Servers and Networks	6 years
Networking Instrument	6 years
Air Conditioning Unit	15 years
Vehicles	8 years
Trade Mark	15 years
Technical Know How	10 years

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

**o) Intangible Assets**

**(i) Computer software**

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use it
- There is an ability to use the software
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use the software are available, and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

**(ii) ANDA / DMFs / Dossiers**

All revenue expenditure incurred till the development of ANDAs / DMFs / Dossiers etc. are grouped under intangible assets under development. Once the development is complete, the expenditures incurred on the said project is capitalised & grouped under "Intangible Assets" and amortised based on best estimated commercial revenue period, not exceeding 5 years. The carrying value of the capitalised project is reviewed for impairment annually.

**(iii) Amortisation methods and periods**

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

- |                                  |           |
|----------------------------------|-----------|
| • Trade Mark/ Technical Know-how | 15 years  |
| • Technical Know-how             | 10 Years  |
| • Computer software              | 3 years   |
| • ANDA / DMF                     | 3-5 years |

**p) Trade and Other 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 on recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

**q) Borrowings**

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

**r) Borrowing Costs**

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

**s) Provisions**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

**t) Employee Benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

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

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

**(iii) Post-employment obligations**

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity
- (b) Defined contribution plans such as provident fund and Superannuation

**Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

**Defined Contribution Plans**

Defined Contribution Plans such as Provident Fund, Superannuation etc., are charged to the Statement of Profit and Loss as incurred.

**u) Contributed Equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(i) **Earnings per Share**

**Basic earnings per share**

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

**Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(ii) **Dividends to shareholders**

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by shareholders. Any interim dividend paid is recognised on approval by board of directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

v) **Lease**

**Finance lease**

Assets taken on lease by the company in its capacity as lessee, where the company has substantially all the risks and rewards of ownership are classified as finance lease.

**Operating Lease**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease.

w) **Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. Contingent liabilities are disclosed in the Note No-46.

**NOTE 2: Use of Estimates and Judgments**

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

## Notes (Standalone) on financial statements for the year ended March 31, 2019 (All amounts in INR lakhs, unless otherwise stated)

### Note 3 : Property, Plant and Equipment

	Land	Building & Premises	Plant & Machinery	Handling Equipments	Pollution Control Equipments	Laboratory Equipments	R&D Equipments	Plant - Utilities	Electrical Installations	Furniture & Fixtures	Office Equipments	Computers	Networking Instruments	Air conditioning units	Vehicles	Total	Capital Work in Progress
<b>Year ended March 31, 2018</b>																	
<b>Gross carrying amount</b>																	
Opening gross carrying amount as at April 1, 2017	4,031.90	15,268.04	15,916.95	1,035.49	341.65	8,250.22	1,942.64	5,752.44	2,630.89	2,003.83	608.46	1,317.46	43.83	3,294.72	391.53	62,830.05	4,032.86
Additions	-	297.13	273.13	39.24	33.63	567.50	-	144.02	39.98	31.76	21.65	46.54	-	9.27	-	1,503.85	10,682.35
Assets capitalised during the year from CWIP	2.00	1,791.37	3,470.63	226.33	-	547.66	-	538.70	291.31	53.84	4.10	5.88	-	205.75	-	7,137.57	(7,137.57)
Disposals	-	-	(35.37)	-	-	-	-	-	-	-	(0.89)	(21.85)	-	-	(120.28)	(178.39)	-
<b>Closing gross carrying amount</b>	<b>4,033.90</b>	<b>17,356.54</b>	<b>19,625.34</b>	<b>1,301.06</b>	<b>375.28</b>	<b>9,365.38</b>	<b>1,942.64</b>	<b>6,435.16</b>	<b>2,962.18</b>	<b>2,089.43</b>	<b>633.32</b>	<b>1,348.03</b>	<b>43.83</b>	<b>3,509.74</b>	<b>271.25</b>	<b>71,293.08</b>	<b>7,577.64</b>
<b>Accumulated depreciation</b>																	
Opening accumulated depreciation	183.74	3,907.29	5,292.95	518.40	278.58	2,958.62	1,744.01	2,439.52	1,829.42	1,200.55	465.00	1,030.34	42.45	1,511.01	146.96	23,548.84	-
Depreciation charge during the year	29.30	516.20	1,184.20	57.75	11.78	845.06	23.91	404.48	139.84	139.58	44.35	112.03	0.06	215.31	35.32	3,759.17	-
Disposals	-	(0.19)	(23.24)	-	-	-	-	-	-	-	(0.84)	(20.75)	-	-	(76.70)	(121.72)	-
<b>Closing accumulated depreciation</b>	<b>213.04</b>	<b>4,423.30</b>	<b>6,453.91</b>	<b>576.15</b>	<b>290.36</b>	<b>3,803.68</b>	<b>1,767.92</b>	<b>2,844.00</b>	<b>1,969.26</b>	<b>1,340.13</b>	<b>508.51</b>	<b>1,121.62</b>	<b>42.51</b>	<b>1,726.32</b>	<b>105.58</b>	<b>27,186.29</b>	-
<b>Net carrying amount</b>	<b>3,820.86</b>	<b>12,933.24</b>	<b>13,171.43</b>	<b>724.91</b>	<b>84.92</b>	<b>5,561.70</b>	<b>174.72</b>	<b>3,591.16</b>	<b>992.92</b>	<b>749.30</b>	<b>124.81</b>	<b>226.41</b>	<b>1.32</b>	<b>1,783.42</b>	<b>165.67</b>	<b>44,106.79</b>	<b>7,577.64</b>
<b>Year ended March 31, 2019</b>																	
<b>Gross carrying amount</b>																	
Opening gross carrying amount as at April 1, 2018	4,033.90	17,356.54	19,625.34	1,301.06	375.28	9,365.38	1,942.64	6,435.16	2,962.18	2,089.43	633.32	1,348.03	43.83	3,509.74	271.25	71,293.08	7,577.64
Additions	-	56.06	485.74	15.61	-	335.82	-	123.23	7.80	37.97	28.96	251.26	-	12.12	-	1,354.57	7,298.16
Assets capitalised during the year from CWIP	23.71	275.66	299.31	0.71	-	34.14	-	89.01	19.08	3.45	-	0.51	-	7.32	-	752.90	(752.90)
Disposals	(413.37)	-	(30.46)	(0.17)	-	(17.53)	-	-	(8.34)	-	(2.78)	-	-	(0.90)	(23.58)	(497.13)	-
<b>Closing gross carrying amount</b>	<b>3,644.24</b>	<b>17,688.26</b>	<b>20,379.93</b>	<b>1,317.21</b>	<b>375.28</b>	<b>9,717.81</b>	<b>1,942.64</b>	<b>6,647.40</b>	<b>2,980.72</b>	<b>2,130.85</b>	<b>659.50</b>	<b>1,599.80</b>	<b>43.83</b>	<b>3,528.28</b>	<b>247.67</b>	<b>72,903.42</b>	<b>14,122.90</b>
<b>Accumulated depreciation and impairment</b>																	
Opening accumulated depreciation	213.04	4,423.30	6,453.91	576.15	290.36	3,803.68	1,767.92	2,844.00	1,969.26	1,340.13	508.51	1,121.62	42.51	1,726.32	105.58	27,186.29	-
Depreciation charge during the year	26.86	573.97	1,398.32	71.01	10.95	887.50	19.41	442.21	159.41	129.07	38.95	137.17	0.06	219.46	26.30	4,140.65	-
Disposals	(12.96)	-	(28.88)	(0.13)	-	(15.03)	-	-	(6.31)	-	(2.64)	-	-	(0.62)	(14.94)	(81.51)	-
<b>Closing accumulated depreciation</b>	<b>226.94</b>	<b>4,997.27</b>	<b>7,823.35</b>	<b>647.03</b>	<b>301.31</b>	<b>4,676.15</b>	<b>1,787.33</b>	<b>3,286.21</b>	<b>2,122.36</b>	<b>1,469.20</b>	<b>544.82</b>	<b>1,258.79</b>	<b>42.57</b>	<b>1,945.16</b>	<b>116.94</b>	<b>31,245.43</b>	-
<b>Closing net carrying amount</b>	<b>3,417.30</b>	<b>12,690.99</b>	<b>12,556.58</b>	<b>670.18</b>	<b>73.97</b>	<b>5,041.66</b>	<b>155.31</b>	<b>3,361.19</b>	<b>858.36</b>	<b>661.65</b>	<b>114.68</b>	<b>341.01</b>	<b>1.26</b>	<b>1,583.12</b>	<b>130.73</b>	<b>41,657.99</b>	<b>14,122.90</b>

(i) Land includes the following amounts where the company is a lessee under a finance lease.

	March 31, 2019	March 31, 2018
<b>Land</b>		
Cost / Deemed Cost (Gross)	1,839.87	2,229.53
Accumulated Amortisation	(226.94)	(213.04)
<b>Net carrying amount</b>	<b>1,612.93</b>	<b>2,016.49</b>

The lease term in respect of assets acquired under finance lease is 95 years. Renewal shall be based on further terms and payment of premium as may be decided / determined by lessor.

(ii) **Capital Work in Progress**  
Capital work in progress mainly comprises :

- New plant at Patalganga
- Regular Capex for new projects

(iii) **Property, Plant and Equipment pledged as security**

Refer to note 47 for information on Property, Plant and equipment pledged as security by the group.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2019**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 4 : Intangible Assets**

	<i>Trade Mark</i>	<i>Computer Software *</i>	<i>Technical Knowhow</i>	<i>ANDAs, DMFs, Dossiers</i>	<i>Total</i>	<i>Intangible Assets under development</i>
<b>Year ended March 31, 2018</b>						
<b>Gross carrying amount</b>						
Opening gross carrying amount as at April 1, 2017	1,032.30	1,139.76	1.15	11,945.75	<b>14,118.96</b>	<b>5,030.30</b>
Additions	–	113.60	–	–	<b>113.60</b>	<b>3,917.79</b>
Intangible Assets Capitalised	–	–	–	2,969.92	<b>2,969.92</b>	<b>(2,969.92)</b>
<b>Closing gross carrying amount</b>	<b>1,032.30</b>	<b>1,253.36</b>	<b>1.15</b>	<b>14,915.67</b>	<b>17,202.48</b>	<b>5,978.17</b>
<b>Accumulated amortisation</b>						
Opening accumulated amortisation	847.62	754.31	1.09	7,822.13	<b>9,425.15</b>	–
Amortisation for the year	48.78	178.74	–	2,783.90	<b>3,011.42</b>	–
<b>Closing accumulated amortisation</b>	<b>896.40</b>	<b>933.05</b>	<b>1.09</b>	<b>10,606.03</b>	<b>12,436.57</b>	–
<b>Net carrying amount</b>	<b>135.90</b>	<b>320.31</b>	<b>0.06</b>	<b>4,309.64</b>	<b>4,765.91</b>	<b>5,978.17</b>
<b>Year ended March 31, 2019</b>						
<b>Gross carrying amount</b>						
Opening gross carrying amount as at April 1, 2018	1,032.30	1,253.36	1.15	14,915.67	<b>17,202.48</b>	<b>5,978.17</b>
Additions	–	217.39	–	–	<b>217.39</b>	<b>1,568.42</b>
Intangible Assets Capitalised	–	–	–	3,126.51	<b>3,126.51</b>	<b>(3,126.51)</b>
<b>Closing gross carrying amount</b>	<b>1,032.30</b>	<b>1,470.75</b>	<b>1.15</b>	<b>18,042.18</b>	<b>20,546.38</b>	<b>4,420.08</b>
<b>Accumulated amortisation</b>						
Opening accumulated amortisation	896.40	933.05	1.09	10,606.03	<b>12,436.57</b>	–
Amortisation for the year	48.77	244.91	–	2,722.08	<b>3,015.76</b>	–
<b>Closing accumulated amortisation</b>	<b>945.17</b>	<b>1,177.96</b>	<b>1.09</b>	<b>13,328.11</b>	<b>15,452.33</b>	–
<b>Closing net carrying amount</b>	<b>87.13</b>	<b>292.79</b>	<b>0.06</b>	<b>4,714.07</b>	<b>5,094.05</b>	<b>4,420.08</b>

\* Computer software also consists of capitalised development costs being an internally generated intangible asset.

## Notes (Standalone)

on financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

### Note 5(a) : Non Current Financial Investments

Particulars	March 31, 2019	March 31, 2018
<b>Unquoted (at Cost) :</b>		
<b>Trade Investment</b>		
<b>Investments in Equity Instruments</b>		
<b>In Subsidiary Companies</b>		
(i) Xtend Industrial Designers & Engineers P. Ltd. [20,27,025 Equity Shares of ₹ 10/- each (Previous Year 20,27,025 Equity Shares of ₹ 10/- each)]	242.32	242.32
(ii) Indoco Remedies Singapore PTE Ltd (Refer Note below) (Previous Year - 26,038 Shares of USD 1 each)	—	17.01
	242.32	259.33
<b>Non-Trade Investment</b>		
<b>Investments in Equity Instruments</b>		
<b>Other than Subsidiary Companies</b>		
(i) Shivalik Solid Waste Management Ltd. Baddi [20,000 Shares of ₹ 10 each, (Previous Year 20,000 Shares of ₹ 10 each)]	2.00	2.00
(ii) Shares of Saraswat Co-op. Bank Ltd. (1,000 ordinary shares of ₹ 10 each, (Previous Year 1,000 ordinary shares of ₹ 10 each))	0.10	0.10
	2.10	2.10
<b>Total, Non Current Financial Investments</b>	<b>244.42</b>	<b>261.43</b>

Note : This entity has been struck off.

### Note 5(b) : Current Financial Investments

Particulars	March 31, 2019	March 31, 2018
<b>Unquoted : (at cost)</b>		
National Spot Exchange	462.90	466.47
<b>Total</b>	<b>462.90</b>	<b>466.47</b>
Less : Provision for diminution in value of investment	(462.90)	(466.47)
<b>Total, Current Financial Investments</b>	<b>—</b>	<b>—</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2019**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 6 : Non Current Financial Assets - Loans**

Particulars	March 31, 2019	March 31, 2018
<b>Unsecured, Considered Good</b>		
Loan to Employees	125.62	106.77
<b>Total, Non Current Financial Assets - Loans</b>	<b>125.62</b>	<b>106.77</b>

**Note 7 : Non Current Other Financial Assets**

Particulars	March 31, 2019	March 31, 2018
Deposit - Others	281.37	272.66
Tender Deposits	72.23	43.06
Margin money	153.33	1,285.25
<b>Total, Non Current Other Financial Assets</b>	<b>506.93</b>	<b>1,600.97</b>

**Note 8 : Deferred Tax Assets (Net)**

Particulars	March 31, 2019	March 31, 2018
Mat Credit Entitlement	5,291.84	5,620.74
Deferred Tax (Net)		
Deferred Tax Liability		
i) On fiscal allowances on fixed assets	(3,731.25)	(4,024.49)
	(3,731.25)	(4,024.49)
Deferred Tax Assets		
i) On employee benefit obligations	1,501.22	1,237.97
ii) On provision for doubtful debts	330.65	138.21
iii) On provision for doubtful advances	161.76	163.00
	1,993.63	1,539.18
<b>Total, Deferred Tax Assets (Net)</b>	<b>3,554.22</b>	<b>3,135.43</b>

**Movement in Deferred Tax Assets (Net)**

Particulars	MAT Credit Entitlement	Deferred Tax Assets			Deferred Tax Liabilities			Net Total
		Employee benefit obligation	Provisions	Total	Property, Plant and equipment and investment property	Financial assets at fair value through profit or loss	Total	
<b>At April 1, 2017</b>	6,242.20	986.81	311.86	1,298.67	4,337.13	440.31	4,777.44	2,763.43
(Charged)/credited:								
to profit or loss	(621.46)	238.84	(10.65)	228.19	(312.64)	(440.31)	(752.95)	359.68
to other comprehensive income	—	12.32	—	12.32	—	—	—	12.32
<b>At March 31, 2018</b>	<b>5,620.74</b>	<b>1,237.97</b>	<b>301.21</b>	<b>1,539.18</b>	<b>4,024.49</b>	<b>—</b>	<b>4,024.49</b>	<b>3,135.43</b>
(Charged)/credited:								
to profit or loss	(79.23)	291.46	191.20	482.66	(293.24)	—	(293.24)	696.67
to other comprehensive income	—	(28.21)	—	(28.21)	—	—	—	(28.21)
to Deferred tax on basis adjustment	(249.67)	—	—	—	—	—	—	(249.67)
<b>At March 31, 2019</b>	<b>5,291.84</b>	<b>1,501.22</b>	<b>492.41</b>	<b>1,993.63</b>	<b>3,731.25</b>	<b>—</b>	<b>3,731.25</b>	<b>3,554.22</b>



**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2019**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 9 : Income Tax Assets (Net)**

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
Opening balance	306.56	424.74
Add:: Taxes paid (net)	611.55	989.21
Less : Current Tax payable for the year	–	(1,107.39)
<b>Closing balance</b>	<b>918.11</b>	<b>306.56</b>

The following table provides the details of income tax assets and liabilities as of March 31, 2019 and March 31, 2018

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
Income Tax Assets	918.11	306.56
Income Tax Liabilities	–	–
<b>Net current income tax assets / (liability) at the end</b>	<b>918.11</b>	<b>306.56</b>

**Note 10 : Other Non Current Assets**

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
Capital Advance	774.84	1,518.50
Pre-Paid Expenses	2.77	8.38
Sales Tax Receivable	754.71	715.13
Advance - Others	2.95	2.95
<b>Total, Other Non Current Assets</b>	<b>1,535.27</b>	<b>2,244.96</b>

**Note 11 : Inventories**

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
Raw and Packing Materials	10,246.57	9,941.06
Work in Progress	2,492.39	2,778.85
Finished Goods	3,729.42	4,542.65
Stock in Trade	1,113.60	1,346.09
Stores and Spares	755.40	714.41
<b>Total, Inventories</b>	<b>18,337.38</b>	<b>19,323.06</b>

**Amounts recognised in profit or loss**

Provision for write-downs of inventories amounted to INR 1,188.15 lakhs (March 31, 2018 – INR 920.97 lakhs). These were recognised as an expense during the year and included in changes in value of inventories of work-in-progress, stock-in-trade and finished goods in statement of profit and loss.

## Notes (Standalone)

on financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

### Note 12 : Trade Receivables

Particulars	March 31, 2019	March 31, 2018
<u>Unsecured</u>		
Debts outstanding for more than six months from the date they are due for payment		
Considered Good	5,282.88	6,080.77
Considered Doubtful	946.23	395.52
	6,229.11	6,476.29
Less: Provision for doubtful debts	(946.23)	(395.52)
	5,282.88	6,080.77
Other Debts - Considered Good	14,163.65	14,701.81
<b>Total, Trade receivables</b>	<b>19,446.53</b>	<b>20,782.58</b>
Current Portion	19,446.53	20,782.58
Non-current Portion	—	—

### Break-up of security details

Particulars	March 31, 2019	March 31, 2018
Secured, considered good	—	—
Unsecured, considered good	19,446.53	20,782.58
Considered Doubtful	946.23	395.52
<b>Total</b>	<b>20,392.76</b>	<b>21,178.10</b>
Allowance for doubtful trade receivables	(946.23)	(395.52)
<b>Total, Trade receivables</b>	<b>19,446.53</b>	<b>20,782.58</b>

Refer Note 45 for information about credit risk and market risk of trade receivables.

### Note 13 : Cash and Cash Equivalents

Particulars	March 31, 2019	March 31, 2018
(i) Cash on hand	9.21	15.27
(ii) Balances with Banks		
In Current Accounts	993.22	708.75
In EEFC Accounts	184.24	3.81
In Margin Accounts	52.38	—
In Fixed Deposit	832.85	120.67
<b>Total, Cash and Cash Equivalents</b>	<b>2,071.90</b>	<b>848.50</b>

## Notes (Standalone)

on financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

### Note 14 : Bank Balances Other than Cash & Cash Equivalents

Particulars	March 31, 2019	March 31, 2018
In Earmarked Accounts		
Unpaid Dividend Accounts	30.70	29.14
Margin Accounts	1,515.63	303.08
<b>Total, Bank Balances Other than Cash &amp; Cash Equivalents</b>	<b>1,546.33</b>	<b>332.22</b>

### Note 15 : Current Financial Assets - Loans

Particulars	March 31, 2019	March 31, 2018
<u>Unsecured, Considered Good</u>		
Loan to subsidiaries	–	14.22
Loan to Employees	41.48	44.57
<b>Total, Current Financial Assets - Loans</b>	<b>41.48</b>	<b>58.79</b>

### Note 16 : Current Financial Assets - Others

Particulars	March 31, 2019	March 31, 2018
Tender Deposits	14.15	11.37
Mark to Market Gain (Net) on financial instruments	997.70	174.86
Insurance claim receivable	3.12	12.35
Franking Advance	0.31	0.29
<b>Total, Current Financial Assets - Others</b>	<b>1,015.28</b>	<b>198.87</b>

### Note 17 : Other Current Assets

Particulars	March 31, 2019	March 31, 2018
Advances to Suppliers	1,020.58	862.35
Share Application Money	0.90	–
Pre-paid Expenses	534.93	455.51
Employee Advances	45.45	47.29
Receivable - Others	17.76	2.61
Balance with Statutory / Government Authorities	9,571.86	10,803.41
<b>Total, Other Current Assets</b>	<b>11,191.48</b>	<b>12,171.17</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2019**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 18 : Equity Share Capital**

Particulars	March 31, 2019	March 31, 2018
<b>Authorised</b>		
12,50,00,000 Equity Shares of ₹ 2/- each (Previous Year 12,50,00,000 Equity Shares of ₹ 2/- each)	<b>2,500.00</b>	<b>2,500.00</b>
<b>Issued,Subscribed and Paid up:</b>		
9,21,50,355 Equity Share of ₹ 2/- each (Previous year 9,21,50,355 Equity Share of ₹ 2/-each) fully paid up.	<b>1,843.01</b>	1,843.01

A) Reconciliation of number of ordinary shares outstanding	March 31, 2019 Equity Shares		March 31, 2018 Equity Shares	
	Number	(₹ lakhs)	Number	(₹ lakhs)
Shares outstanding at the beginning of the year	9,21,50,355	1,843.01	9,21,50,355	1,843.01
Less : Adjustments	—	—	—	—
Add: Issue of Bonus shares	—	—	—	—
Less: Shares brought back during the year	—	—	—	—
Shares outstanding at the end of the year	9,21,50,355	1,843.01	9,21,50,355	1,843.01

B) Details of Shares held by each shareholder holding more than 5% shares	March 31, 2019		March 31, 2018	
	No of Shares held @ ₹ 2/- per share	% holding in that class of Shares	No of Shares held @ ₹ 2/- per share	% holding in that class of Shares
<u>Equity Shares with voting rights :</u>				
i) Spa Holdings Pvt. Ltd.	1,83,35,000	19.90%	1,83,35,000	19.90%
ii) Shanteri Investment Pvt. Ltd.	1,57,71,755	17.12%	1,57,71,755	17.12%
iii) Aditi Panandikar	55,59,013	6.03%	55,59,013	6.03%
iv) Madhura Ramani	51,84,079	5.63%	51,84,079	5.63%
v) Aruna Suresh Kare	47,94,714	5.20%	47,94,714	5.20%

**C) Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. All equity shares of the Company rank pari passu in all respects including the right to dividend. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2019, the amount of ₹ 0.30 per share on the face value of ₹ 2 is proposed to the equity shareholders of the company (Previous year - ₹ 1.00 per share on face value of ₹ 2 declared and paid to the equity shareholders of the Company).

In the event of winding-up, subject to the rights of holders of shares issued upon special terms and conditions, the holders of equity shares shall be entitled to receive remaining assets, if any, in proportion to the number of shares held at the time of commencement of winding-up.

## Notes (Standalone)

### on financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

#### Note 19 : Other Equity

Particulars	March 31, 2019	March 31, 2018
Capital Reserve	0.02	0.02
Securities Premium	6,420.93	6,420.93
General Reserve	25,817.64	25,817.64
Retained Earnings	32,026.72	33,474.28
<b>Total, Other Equity</b>	<b>64,265.31</b>	<b>65,712.87</b>

##### (i) Capital Reserve

Particulars	March 31, 2019	March 31, 2018
Opening Balance	0.02	0.02
Additions	—	—
<b>Closing balance</b>	<b>0.02</b>	<b>0.02</b>

##### (ii) Securities Premium

Particulars	March 31, 2019	March 31, 2018
Opening Balance	6,420.93	6,420.93
Additions	—	—
<b>Closing balance</b>	<b>6,420.93</b>	<b>6,420.93</b>

##### (iii) General Reserve

Particulars	March 31, 2019	March 31, 2018
Opening balance	25,817.64	25,817.64
Add : Transferred from Surplus in Statement of Profit & Loss	—	—
<b>Closing balance</b>	<b>25,817.64</b>	<b>25,817.64</b>

##### (iv) Retained Earnings

Particulars	March 31, 2019	March 31, 2018
Opening balance	33,474.28	31,106.35
Add : Net Profit / (Loss) for the Year	(284.11)	4,119.57
Add : Other Comprehensive Income for the year	(52.53)	22.94
Amount available for appropriation	33,137.64	35,248.86
Less : Transferred to General Reserve	—	—
Less : Dividend paid	(921.50)	(1,474.42)
Less : Dividend Tax	(189.42)	(300.16)
<b>Closing balance</b>	<b>32,026.72</b>	<b>33,474.28</b>

#### Nature of reserves

##### (a) Capital reserve

The Company recognises profit and loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.

##### (b) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

##### (c) General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

## Notes (Standalone)

on financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

### Note 20 : Non-Current Financial Liabilities - Borrowings

Particulars	Terms of Repayment & Securities	March 31, 2019	March 31, 2018
<b>Secured</b>			
Term Loans from Banks			
Foreign currency loan -ECB / FCNR(B)	Note No. 20 (i)	8,757.75	8,904.62
Indian rupee loan	Note No. 20 (ii)	9,519.21	8,279.40
Vehicle Loan from Bank	Note No. 20 (iii)	14.44	22.97
Interest accrued but not due	Note No. 26	118.71	42.25
<b>Total, Non Current Financial Liabilities - Borrowings</b>		<b>18,410.11</b>	<b>17,249.24</b>
Less: Current maturities of long-term debt (included in note 26)		(5,425.69)	(4,879.40)
Less: Interest accrued (included in note 26)		(118.71)	(42.25)
<b>Total, Non-current borrowings (as per balance sheet)</b>		<b>12,865.71</b>	<b>12,327.59</b>

Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured long term borrowings.

Note No.	Name of the Bank	Terms of Repayment & Securities
20 (i)	Citi Bank	
	Amount Sanctioned	USD 74,73,841.60
	Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly installments of USD 467,115.10 each commencing from December 19, 2017 ending on September 19, 2021. The amount is payable in the month of March, June, September and December of each year.
	Rate of Interest	6.70 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement).
	Nature of Security	The loan is secured by (a) First Exclusive charge over the entire moveable fixed assets of the Company both present and future and equitable mortgage of Land and Building situated at HB : 211, Village : Katha, P O Baddi, Tehsil Baddi, Dist Solan, Himachal Pradesh, 173 205 (b) First and Exclusive charge over the Entire moveable Fixed Assets of the Company both present and future situated at Plant I, Village Katha, Baddi, Himachal Pradesh, Pin 173 205.

**Notes (Standalone)**  
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**Note 20 : Non-Current Financial Liabilities - Borrowings: Contd.**

Note No.	Name of the Bank	Terms of Repayment & Securities
20 (i)	Standard Chartered Bank	
	Amount Sanctioned	GBP 61,00,000.00
	Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly installments of GBP 381,250 each commencing from December 29, 2017 ending on September 29, 2021. The amount is payable in the month of March, June, September and December of each year.
	Rate of Interest	5.60 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement).
	Nature of Security	The loan is secured / to be secured by equitable mortgage of Land and building situated at A-26, A-28/1, A-28/2 MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra - 410 220.  The loan is secured by First Exclusive charge over the entire moveable fixed assets of the Company both present and future situated at A-26, A-28/1, A-28/2 MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra - 410 220.  Exclusive charge on moveable fixed assets of the Company created out of the Loan at A - 27, MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra.- 410 220.
20 (i)	Standard Chartered Bank	
	Amount Sanctioned	Euro 30,00,000.00
	Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly installments of Euro 1,87,500 each commencing from January 13, 2020 ending on October 11, 2023. The amount is payable in the month of January, April, July and October of each year.
	Rate of Interest	7.61 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement).
	Nature of Security	The loan is secured / to be secured by equitable mortgage of Land and building situated at A-26, A-28/1, A-28/2 MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra - 410 220.  The loan is secured by First Exclusive charge over the entire moveable fixed assets of the Company both present and future situated at A-26, A-28/1, A-28/2 MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra - 410 220.  Exclusive charge on moveable fixed assets of the Company created out of the Loan at A - 27, MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra.- 410 220.

## Notes (Standalone)

on financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

### Note 20 : Non-Current Financial Liabilities - Borrowings: *Contd.*

Note No.	Name of the Bank	Terms of Repayment & Securities
20 (ii)	Saraswat Co-op Bank Ltd.	
	Amount Sanctioned	₹ 50,00,00,000/-
	Terms of Repayment	The Term Loan is Repayable in 59 monthly equal installments of ₹ 83,33,000/- each and 60th installment of ₹ 83,53,000/- commencing from December 14, 2019, ending on November 14, 2024
	Rate of Interest	8.05% p.a.
	Nature of Security	Primary : First and Exclusive Charge on moveable assets at B 20 MIDC, Waluj, Aurangabad. 1st pari passu charge on moveable assets at L-14, Verna Industrial Area, Verna, Salcete Goa – 403 722 & L-32/33/34, Verna Industrial Area, Verna, Salcete Goa – 403 722
20 (ii)	Saraswat Co-op Bank Ltd.	
	Amount Sanctioned	₹ 35,00,00,000/-
	Terms of Repayment	The Term Loan is Repayable in 32 equal monthly installments of ₹ 64,97,750 each and last installment of ₹ 64,93,205 ending on December 19, 2021.
	Rate of Interest	9.15% p.a.
	Nature of Security	Primary : First and Exclusive charge over the entire moveable fixed assets of the Company at Plot No. R - 92 & R - 93, T. T. C. Industrial Area, Rabale, MIDC Thane Belapur Road, Navi Mumbai 400 701.
20 (ii)	Citi Bank	
	Amount Sanctioned	₹ 60,00,00,000/-
	Terms of Repayment	The Term Loan is Repayable in 6 equal quarterly installments of ₹ 3,95,83,333/- each ending on July 20, 2020.
	Rate of Interest	9.50 % p.a.
	Nature of Security	The loan is secured by Parri Passu charge on Present and future moveable fixed assets located at Goa Plant L-14, Verna Industrial Area, Verna, Salcete Goa – 403 722 & L-32 /33/34, Verna Industrial Area, Verna ,Salcete Goa – 403 722.



## Notes (Standalone)

on financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

### Note 20 : Non-Current Financial Liabilities - Borrowings: *Contd.*

Note No.	Name of the Bank	Terms of Repayment & Securities
20 (iii)	Vehicle Loan	
	Amount Sanctioned	₹ 41,00,000/-
	Terms of Repayment	The Loan is Repayable in 60 equated monthly installments (EMI) of ₹ 86,530/- each (including principal and interest) commencing from October 07, 2015 ending on September 07, 2020
	Rate of Interest	9.71 % p.a.
	Nature of Security	The loan is secured by hypothecation of the vehicle which has been purchased against the Loan.

### Note 21 : Non Current Other Financial Liabilities

Particulars	March 31, 2019	March 31, 2018
<b>Unsecured</b>		
Security Deposit	727.53	707.02
Deposit Others	4.42	4.47
<b>Total, Non Current Other Financial Liabilities</b>	<b>731.95</b>	<b>711.49</b>

### Note 22 : Non Current Provisions

Particulars	March 31, 2019	March 31, 2018
<b>Provision for Employee Benefit</b>		
Leave Obligations (refer note no. 38)	699.44	668.95
Gratuity (refer note no. 38)	891.50	597.24
<b>Total, Non Current Provisions</b>	<b>1,590.94</b>	<b>1,266.19</b>

### Note 23 : Other Non Current Liabilities

Particulars	March 31, 2019	March 31, 2018
Advance Received	—	250.00
<b>Total, Other Non Current Liabilities</b>	<b>—</b>	<b>250.00</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2019**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 24 : Current Financial Liabilities - Borrowings**

Particulars	Terms of Repayment & Securities	March 31, 2019	March 31, 2018
<b>Secured (Refer Note below)</b>			
Loans from Banks			
Cash Credit Facility	Note No. 24 (i)	2,969.41	2,287.56
Foreign Currency Export Packing Credit	Note No. 24 (ii)	–	2,000.00
Working Capital Demand Loan	Note No. 24 (iv)	1,000.00	500.00
Interest accrued		43.39	38.86
<b>Unsecured</b>			
Loans from Banks			
Foreign Currency Export Packing Credit	Note No. 24 (ii)	2,626.56	866.72
Packing Credit in Rupee	Note No. 24 (iii)	–	800.00
Working Capital Demand Loan	Note No. 24 (iv)	1,400.00	1,900.00
Short Term Loan	Note No. 24 (v)	3,300.00	2,600.00
<b>Total, Current borrowings (as per balance sheet)</b>		<b>11,339.36</b>	<b>10,993.14</b>

Note : Cash Credit , Foreign Currency Export Packing Credit , Packing Credit in Rupee and Working Capital Demand Loan are part of Working Capital facilities availed from various Banks and are secured by First parri passu charge by hypothecation of all stocks and book debts.

Note No.	Type of Loan	Repayment and Rate of Interest
24 (i)	Cash Credit Facility	Is repayable on demand and carries interest @ 8.25 % p.a. to 10.15 % p.a. (Previous year @ 8.25 % p.a. to 10.50 % p.a.)
24 (ii)	Foreign Currency Export Packing Credit	Is payable on completion of the tenure. It carries interest @ LIBOR + 1% BPS to 1.80% BPS. (Previous year LIBOR + 60 BPS to 200 BPS)
24 (iii)	Packing Credit in Rupee	Is payable on completion of the tenure. It carries interest @ 7.50% to 8.20% p.a. (Previous Year @ 7.50% p.a.)
24 (iv)	Working Capital Demand Loan	Is repayable on demand and carries interest @ 7.70% p.a. to 8.75% p.a. (Previous year 7.65 % p.a. to 8.20 % p.a.)
24 (v)	Short Term Loan	Is repayable on demand and carries interest @ 8.15% p.a. to 8.80% p.a. (Previous year 7.85% p.a. to 8.15 % p.a.)

**Note 25 : Trade Payables**

Particulars	March 31, 2019	March 31, 2018
Total Outstanding Dues of Micro and Small Enterprises	6.66	97.76
Total Outstanding Dues of Creditors Other Than Micro and Small Enterprises	17,063.75	14,846.71
<b>Total, Trade Payables</b>	<b>17,070.41</b>	<b>14,944.47</b>

## Notes (Standalone)

on financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

### Note 26 : Current Other Financial Liabilities

Particulars	March 31, 2019	March 31, 2018
<b>Secured</b>		
Term Loans from Banks		
Indian Rupee loan	2,696.38	2,308.95
Vehicle Loan	10.38	10.38
Foreign Currency loan -ECB / FCNR(B)	2,718.92	2,560.06
Interest accrued	118.71	42.25
Unpaid Dividends	30.70	29.14
<b>Unsecured</b>		
Deposit Payable - Others	0.75	—
Other Current Liabilities	5,351.88	5,269.16
<b>Total, Current Other financial liabilities</b>	<b>10,927.72</b>	<b>10,219.94</b>

### Note 27 : Current Provisions

Particulars	March 31, 2019	March 31, 2018
<b>Provision for Employee Benefit</b>		
Leave Obligations (refer note no. 38)	189.98	162.99
Gratuity (refer note no. 38)	774.12	674.05
Bonus	1,028.35	940.08
<b>Others</b>		
Sales Return	2,428.81	2,042.33
<b>Total, Provisions</b>	<b>4,421.26</b>	<b>3,819.45</b>

- (i) Information about individual provisions and significant estimates

#### Sales Returns

When a customer has a right to return the product within a given period, the company recognises a provision for returns INR 2,023.27 lakhs as at March 31, 2019 (March 31, 2018 - INR 2,000.49 lakhs). This is measured on the previous history of sales return. Revenue is adjusted for the expected value of the returns and cost of sales & Inventory are adjusted for the value of the corresponding goods to be returned.

- (ii) Movements in provisions for Sales Return

Movements in each class of provision during the financial year, are set out below:

Particulars	Sales Return
<b>As at April 1, 2018</b>	<b>2,042.33</b>
Charged/(credited) to profit or loss	
provision for current year	2,023.27
provision of earlier years utilised as against returns of current year	(1,636.79)
<b>As at March 31, 2019</b>	<b>2,428.81</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2019**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 28 : Other Current Liabilities**

Particulars	March 31, 2019	March 31, 2018
Car Sale Advance	4.15	12.41
Advance from Customer	160.64	167.27
Statutory Dues	609.51	1,531.99
<b>Total, Other Liabilities</b>	<b>774.30</b>	<b>1,711.67</b>

**Note 29 : Revenue from operations**

Particulars	Apr'18-Mar'19	Apr'17-Mar'18
Sale of Product		
Domestic Sales	63,807.86	61,888.60
(Previous year includes Excise duty of ₹ 336.04 Lacs)		
Export Sales	25,463.96	34,826.07
	<b>89,271.82</b>	<b>96,714.67</b>
Sale of Services		
Export Services	3,117.56	3,569.73
Domestic Services	1,747.32	1,446.25
	<b>4,864.88</b>	<b>5,015.98</b>
Other Operating Revenue		
Exchange Gain/(Loss) (Net) (other than considered in Finance Cost)	1,647.28	1,086.23
Export Incentives	954.50	1,314.77
Scrap Sale	34.85	25.75
	<b>2,636.63</b>	<b>2,426.75</b>
<b>Total, Revenue from Operations (Gross)</b>	<b>96,773.33</b>	<b>1,04,157.40</b>

Note : The Government of India has implemented Goods and Services tax ('GST') with effect from July 1, 2017, which replaced excise duty and various other indirect taxes. As per Ind AS 115, revenue is reported net of GST. However, revenue for the year ended March 31, 2018 is inclusive of excise duty to the extent of revenue from April 1, 2017 to June 30, 2017. Accordingly, revenue for the year ended March 31, 2019 is not strictly comparable with the corresponding year.

**Critical judgements in calculating amounts**

When a customer has a right to return the product within a given period, the Company recognises a provision for returns INR 2,023.27 lakhs as on March 31, 2019 (March 31, 2018 - INR 2,000.49 lakhs). This is measured on the previous history of sales return. Revenue is adjusted for the expected value of the returns and cost of sales & Inventory are adjusted for the value of the corresponding goods to be returned.

**Additional disclosures as required by Ind AS 115**

**Disaggregate revenue information**

The table below presents disaggregated revenue information from contracts with customers for the year ended March 31, 2019. The company believes that this disaggregation reasonably depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

## Notes (Standalone)

on financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

### Note 29 : Revenue from operations : Contd.

Particulars	Apr'18-Mar'19	Apr'17-Mar'18
<b>Formulation :</b>		
Domestic	60,619.40	59,498.01
Export		
Regulated Market :	16,085.24	27,563.29
Emerging Market :	7,264.63	7,168.86
<b>Export, Total</b>	<b>23,349.87</b>	<b>34,732.15</b>
<b>Formulation, Total (a)</b>	<b>83,969.27</b>	<b>94,230.16</b>
API (b)	8,222.19	6,087.06
CRO & Analytical Services (c)	1,945.24	1,413.43
<b>Gross Sales (Net of Returns), Total (a + b + c)</b>	<b>94,136.70</b>	<b>1,01,730.65</b>
Other Operating Revenue	2,636.63	2,426.75
<b>Income from Operation, Total</b>	<b>96,773.33</b>	<b>1,04,157.40</b>

### Performance obligations

#### a. Significant payment terms

In case of Domestic Sales, payment terms range from 7 days to 90 days based on geography and customers. In case of Export Sales these are either DP at sight, Document against acceptance - 30 days to 120 days, Letters of Credit - 30 days to 120 days.

#### b. Obligations for returns, refunds and similar obligations

In case of domestic sales, sales return may take place anytime before / after the expiry of goods.

### Note 30 : Other Income

Particulars	Apr'18-Mar'19	Apr'17-Mar'18
Interest Received	155.71	221.03
Sundry Balance w/back	110.29	35.40
Sundry Receipts	348.84	50.68
Dividend Received	0.32	0.27
Profit on Sale of Fixed Assets	0.31	171.55
<b>Total, Other income</b>	<b>615.47</b>	<b>478.93</b>

## Notes (Standalone)

on financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

### Note 31 : Cost of Materials Consumed

	Apr'18-Mar'19	Apr'17-Mar'18
Cost of Material Consumed		
Opening Stock	9,941.06	8,704.00
Add : Purchases	24,314.40	29,049.79
Less : Closing Stock	(10,246.57)	(9,941.06)
	24,008.89	27,812.73
Purchase of Stock in Trade	6,676.57	6,460.72
Excise Duty on Sale of Goods	—	336.04
(Incr.) / Decr. in Stk. of FG, Stock in Trade & WIP :		
Inventories at the beginning of the year		
Op.Stock - Finished Goods	4,542.65	4,171.51
Op.Stock - Stock in Trade	1,346.09	1,476.05
Op.Stock - WIP	2,778.85	3,350.03
	8,667.59	8,997.59
Inventories at the end of the year		
Cl.Stock - Finished Goods	(3,729.42)	(4,542.65)
Cl.Stock - Stock in Trade	(1,113.60)	(1,346.09)
Cl.Stock - WIP	(2,492.39)	(2,778.85)
	(7,335.41)	(8,667.59)
Net (Increase) / Decrease	1,332.18	330.00
<b>Total, Cost of material consumed</b>	<b>32,017.64</b>	<b>34,939.49</b>

### Note 32 : Employee Benefits Expense

Particulars	Apr'18-Mar'19	Apr'17-Mar'18
Salaries, Wages and Bonus	19,495.30	18,998.33
Contribution to Provident and Other Funds	1,820.70	1,758.43
Staff Welfare Expenses	1,810.49	1,277.10
<b>Total, Employee benefit expense</b>	<b>23,126.49</b>	<b>22,033.86</b>

### Note 33 : Research & Development Expenses

Particulars	Apr'18-Mar'19	Apr'17-Mar'18
R&D Employee Cost	2,361.58	2,270.70
Other R&D Expenses	2,789.97	3,078.27
<b>Total, Research &amp; Development Expenses</b>	<b>5,151.55</b>	<b>5,348.97</b>

## Notes (Standalone)

on financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

### Note 34 : Depreciation and amortisation expenses

Particulars	Note No	Apr'18-Mar'19	Apr'17-Mar'18
Depreciation of Property, Plant and Equipment	3	4,140.65	3,759.17
Amortisation of Intangible Assets	4	3,015.76	3,011.41
<b>Total, Depreciation and amortisation expenses</b>		<b>7,156.41</b>	<b>6,770.58</b>

### Note 35 : Other Expenses

Particulars	Apr'18-Mar'19	Apr'17-Mar'18
Consumable Stores	337.61	318.78
Job Work Charges	928.43	951.16
Power and Fuel	2,848.69	2,662.48
Rent, Rates, Taxes	450.51	512.66
Insurance	131.34	136.41
Repairs :		
Building	158.95	62.40
Plant and Machinery	1,073.82	960.51
Others	1,434.04	1,280.56
	2,666.81	2,303.47
Packing and Delivery Expenses	3,051.90	3,073.62
Analytical Expenses	1,602.07	1,224.98
Turnover and Additional Tax	5.07	58.50
Advertising and Sales Promotion Expenses	3,993.40	3,485.70
Commission and Incentives on sales	2,276.76	3,509.05
Travelling, Conveyance and Motor Car Expenses	5,646.15	5,739.89
Legal and Professional Fees	1,286.80	872.21
Director's Sitting Fees	21.00	18.30
Postage, Telephone and Telex Expenses	110.92	148.17
Printing and Stationery Expenses	378.67	394.37
Payments to Auditors (refer note no. 35(a))	12.99	7.12
Loss on sale of Assets	20.65	16.36
Provision for Doubtful Debts	550.70	297.34
Investments in subsidiaries / Associates Written off	29.02	9.90
Bad Debts written off		
Bad Debts written off	50.31	794.09
Less : Transfer from Provision for Doubtful Debts	—	(336.45)
	50.31	457.64
Corporate Social Responsibility (refer note no. 35(b))	43.42	23.97
Miscellaneous Expenses	2,363.95	2,127.99
<b>Total, Other expenses</b>	<b>28,807.17</b>	<b>28,350.07</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2019**  
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**Note 35(a) : Details of payments to Auditors**

Particulars	Apr'18-Mar'19	Apr'17-Mar'18
<b>Payment to Auditors</b>		
<b>As Auditor :</b>		
Audit Fees	6.00	6.00
Tax Audit Fees under GST	4.25	–
<b>In other capacities :</b>		
Certification fees	2.03	1.03
Re-imbursement of expenses	0.71	0.09
<b>Total, payment to Auditors</b>	<b>12.99</b>	<b>7.12</b>

**Note 35(b) : Corporate social responsibility expenditure**

Particulars	Apr'18-Mar'19	Apr'17-Mar'18
<b>Contribution to :</b>		
Promoting Education	11.89	10.97
Preventive Healthcare	13.95	13.00
Promoting & Development of Traditional Arts	0.10	–
Employment enhancing vocational skills	17.48	–
<b>Total</b>	<b>43.42</b>	<b>23.97</b>
Amount required to be spent as per Section 135 of the Act *	160.00	225.00
Amount spent during the year on		
(i) Construction/acquisition of an asset	–	–
(ii) On purposes other than (i) above	43.42	23.97

**Note 36 : Finance Cost**

Particulars	Apr'18-Mar'19	Apr'17-Mar'18
Interest Expense	2,328.39	2,252.07
Other Financial charges	112.87	135.97
Exchange Gain / Loss (Net)	(55.19)	530.71
	<b>2,386.07</b>	<b>2,918.75</b>
Less : Amount capitalised (see note below)	(332.18)	(568.01)
<b>Total, Finance Cost expensed in Profit or Loss</b>	<b>2,053.89</b>	<b>2,350.74</b>

Note : Finance Cost incurred on various projects being qualifying asset is capitalised in accordance with Ind AS 23.



## Notes (Standalone)

on financial statements for the year ended March 31, 2019

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### Note 37 : Income Tax expense

Particulars	Apr'18-Mar'19	Apr'17-Mar'18
<b>(a) Income tax expense</b>		
Current Tax	–	1,107.39
Deferred tax	(747.68)	(993.48)
MAT Credit Adjustments	79.23	621.46
<b>Income Tax expense</b>	<b>(668.45)</b>	<b>735.37</b>
Income tax expense is attributable to:		
Profit / (Loss) from continuing operations	(668.45)	735.37
Profit from discontinued operation	–	–
	<b>(668.45)</b>	<b>735.37</b>

### (b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	Apr'18-Mar'19	Apr'17-Mar'18
Profit / (Loss) from continuing operations before income tax expense	(924.35)	4,842.62
Profit from discontinuing operation before income tax expense	–	–
	<b>(924.35)</b>	<b>4,842.62</b>
<b>Tax at the Indian tax rate of 34.944% (2017-2018 – 34.608%)</b>	<b>(323.00)</b>	<b>1,675.93</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Deduction on R&D Expenditure u/s 35(2ab)	(833.59)	(863.63)
Effect of non-deductible expenses	–	(654.12)
Other items	(9.22)	(44.27)
Adjustments of MAT of Previous period	79.23	621.46
Tax losses for which no deferred income tax was recognised	418.13	–
<b>Income tax expense</b>	<b>(668.45)</b>	<b>735.37</b>

## Notes (Standalone)

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#### Note 38 : Employee benefit obligations

As required by IND AS 19 'Employee benefits' the disclosures are as under :

##### (i) Defined benefit plans

###### a. Leave obligations

The leave obligations cover the company's liability for sick and earned leave.

The amount of the provision of INR 189.98 lakhs (March 31, 2018 – INR 162.99 lakhs) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months and therefore provision is made on the basis of actuarial valuation obtained.

###### b. Post-employment obligations

###### i. Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contributions to recognised funds in India. The company maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

##### (ii) Defined contribution plans

###### a. Provident Fund

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is INR 1,196.21 lakhs (March 31, 2018 – INR 1,130.81 lakhs).

###### b. Superannuation

The Company contributed INR 69.31 lakhs (March 31, 2018 - INR 66.24 lakhs) to the superannuation plan. The same has been recognized in the Statement of profit and loss account under the head employee benefit expenses.

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**Note 38 : Employee benefit obligations : Contd.**

**(iii) Balance sheet amounts – Gratuity**

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows :

	<i>Present value of obligation</i>	<i>Fair value of plan assets</i>	<i>Net amount</i>
<b>April 1, 2017</b>	<b>1,409.46</b>	<b>(305.84)</b>	<b>1,103.62</b>
Current service cost	231.21	–	231.21
Past Service Cost	14.90	–	14.90
Interest expense/(income)	107.97	(23.43)	84.54
<b>Total amount recognised in profit or loss</b>	<b>354.08</b>	<b>(23.43)</b>	<b>330.65</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	–	14.53	14.53
(Gain)/loss from change in financial assumptions	(33.17)	–	(33.17)
Experience (gains)/losses	(16.62)	–	(16.62)
<b>Total amount recognised in other comprehensive income</b>	<b>(49.79)</b>	<b>14.53</b>	<b>(35.26)</b>
Employer contributions	–	(127.72)	(127.72 )
Benefit payments	(172.52)	172.52	–
<b>March 31, 2018</b>	<b>1,541.23</b>	<b>(269.94)</b>	<b>1,271.29</b>

	<i>Present value of obligation</i>	<i>Fair value of plan assets</i>	<i>Net amount</i>
<b>April 1, 2018</b>	<b>1,541.23</b>	<b>(269.94)</b>	<b>1,271.29</b>
Current service cost	233.54	–	233.54
Past Service Cost	–	–	–
Interest expense/(income)	121.29	(21.24)	100.05
<b>Total amount recognised in profit or loss</b>	<b>354.83</b>	<b>(21.24)</b>	<b>333.59</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	–	14.48	14.48
(Gain)/loss from change in financial assumptions	15.77	–	15.77
Experience (gains)/losses	50.49	–	50.49
<b>Total amount recognised in other comprehensive income</b>	<b>66.26</b>	<b>14.48</b>	<b>80.74</b>
Employer contributions	–	(20.00)	(20.00 )
Benefit payments	(176.04)	176.04	–
<b>March 31, 2019</b>	<b>1,786.28</b>	<b>(120.66)</b>	<b>1,665.62</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2019**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 38 : Employee benefit obligations : Contd.**

The net liability disclosed above relates to funded and unfunded plans are as follows:

	March 31, 2019	March 31, 2018
Present value of funded obligations	1,786.28	1,541.23
Fair value of plan assets	(120.66)	(269.94)
<b>Deficit of funded plan</b>	<b>1,665.62</b>	<b>1,271.29</b>
Unfunded plans	—	—
<b>Deficit of gratuity plan</b>	<b>1,665.62</b>	<b>1,271.29</b>

(iv) **Post-Employment benefits (gratuity)**

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	March 31, 2019	March 31, 2018
Discount rate	7.78%	7.87%
Attrition rate	2.00%	2.00%
Salary growth rate	5.00%	5.00%

(v) **Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Discount rate	1%	1%	—	—	162.89	143.06
Discount rate	-1%	-1%	192.07	169.16	—	—
Salary growth rate	1%	1%	195.58	172.41	—	—
Salary growth rate	-1%	-1%	—	—	168.33	147.94
Attrition rate	1%	1%	42.03	38.72	—	—
Attrition rate	-1%	-1%	—	—	48.75	45.09

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

## Notes (Standalone)

on financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

Note 38 : Employee benefit obligations : *Contd.*

(vi) The major categories of plans assets are as follows:

	March 31, 2019	March 31, 2018
<b>Gratuity :</b>		
<b>Unquoted</b>		
Insurance fund	120.66	269.94
<b>Total</b>	<b>120.66</b>	<b>269.94</b>

(vii) Maturity profile of projected benefit obligation (from fund) :

	March 31, 2019	March 31, 2018
1st following year	146.78	98.83
2nd following year	62.64	77.99
3rd following year	144.31	92.16
4th following year	106.81	149.79
5th following year	121.90	94.99
Sum of years 6 to 10	689.04	560.57
Sum of years 11 and above	3,582.63	3,270.99

Note 39 : Lease

### Operating Lease

The Company has not entered into non-cancellable operating lease.

### Finance Lease

Particulars	March 31, 2019	March 31, 2018
Due within one year	3.59	9.91
Due in a period between one year and five years	14.37	39.63
Due after five years	262.16	824.94
<b>Total Finance Lease</b>	<b>280.12</b>	<b>874.48</b>

**Notes (Standalone)**  
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**Note 40 : Fair value measurement**

Financial instruments by category	March 31, 2019		March 31, 2018	
	FVPL	Amortised Cost	FVPL	Amortised Cost
<b>Financial Assets</b>				
Investments				
Equity instruments	2.10		2.10	
Trade receivables		19,446.53		20,782.58
Non Current Other Financial assets		506.93		1,600.97
Cash and cash equivalents		2,071.90		848.50
Bank balances other than cash and cash equivalents		1,546.33		332.22
Current Other Financial Assets		1,015.28		198.87
<b>Total Financial Assets</b>	<b>2.10</b>	<b>24,586.97</b>	<b>2.10</b>	<b>23,763.14</b>
<b>Financial Liabilities</b>				
Bank Borrowings		29,749.47		28,242.37
Non Current Other Financial Liabilities		731.95		711.49
Current Other Financial Liabilities		5,383.32		5,298.30
Trade Payables		17,070.41		14,944.47
<b>Total Financial Liabilities</b>	<b>–</b>	<b>52,935.15</b>	<b>–</b>	<b>49,196.63</b>

**Fair value hierarchy**

Level 1 :Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in an active market (like forward contract) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities etc. included in level 3.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value	March 31, 2019			March 31, 2018		
	Level			Level		
	I	II	III	I	II	III
<b>Financial Assets</b>						
Investments						
Equity instruments	–	2.10	–	–	2.10	–
<b>Total Financial Assets</b>	<b>–</b>	<b>2.10</b>	<b>–</b>	<b>–</b>	<b>2.10</b>	<b>–</b>

**Notes (Standalone)**  
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**Note 41 : Capital management**

**(a) Risk management**

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on Management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company monitors capital on the basis of the following gearing ratio : Net debt (total borrowings net of cash and cash equivalents) divided by Total Equity.

The Company's strategy is to maintain a gearing ratio within 50%. The gearing ratios were as follows:

	<i>March 31, 2019</i>	<i>March 31, 2018</i>
Net Debt	<b>27,677.57</b>	27,393.88
Equity	<b>66,108.32</b>	67,555.88
<b>Net debt to equity ratio</b>	<b>41.9%</b>	<b>40.5%</b>

**(b) Dividends**

	<i>March 31, 2019</i>	<i>March 31, 2018</i>
<b>(i) Equity shares</b>		
Final dividend for the year ended March 31, 2018 of INR 1.00 (March 31, 2017 – INR 1.60) per fully paid share	<b>921.50</b>	1,474.41
<b>(ii) Dividends not recognised at the end of the reporting period</b>		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of INR 0.30 per fully paid equity share (March 31, 2018 – INR 1.00). This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	<b>276.45</b>	921.50

## Notes (Standalone)

### on financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

#### Note 42 : Segment Information

##### (a) Description of segments and principal activities

The Company has only one reporting segment of its business i.e. Pharmaceutical, wherein the group's strategic steering committee, consisting of the Chief Executive Officer, the Chief Financial Officer and the Manager for Corporate Planning, examines the group's performance both from a product and geographic perspective.

The steering committee primarily uses a measure of adjusted earnings before other income, finance cost, tax, depreciation and amortisation (EBIDTA, see below) to assess the performance of the operating segments. However, the steering committee also receives information about the segments' revenue and assets on a monthly basis

##### (b) Adjusted EBIDTA

Adjusted EBIDTA excludes discontinued operations and the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as restructuring costs, impairments when the impairment is the result of an isolated, non-recurring event. It also excludes the effects of share-based payments and gains or losses on financial instruments.

Interest income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Company.

Particulars	March 31, 2019	March 31, 2018
<b>Total adjusted EBIDTA</b>	<b>7,670.48</b>	<b>13,485.01</b>

Adjusted EBIDTA reconciles to profit before income tax as follows:

Particulars	Note No	March 31, 2019	March 31, 2018
<b>Total adjusted EBIDTA</b>		<b>7,670.48</b>	<b>13,485.01</b>
Finance costs	36	<b>2,053.89</b>	2,350.74
Other Income	30	<b>(615.47)</b>	(478.93)
Depreciation and amortisation expense	34	<b>7,156.41</b>	6,770.58
<b>Profit before income tax from continuing operations</b>		<b>(924.35)</b>	<b>4,842.62</b>

##### (c) Segment revenue

The segment revenue is measured in the same way as in the statement of profit or loss.

##### Geographical :

Particulars	March 31, 2019			March 31, 2018		
	India	Outside India	Total	India	Outside India	Total
Revenue from External Customers	<b>65,555.18</b>	<b>28,581.52</b>	<b>94,136.70</b>	63,334.85	38,395.80	<b>101,730.65</b>
Non Current Assets (*)	<b>66,830.29</b>	—	<b>66,830.29</b>	64,673.47	—	<b>64,673.47</b>

\* Excluding financial assets, deferred & current tax assets

##### Product :

	March 31, 2019	March 31, 2018
Revenue from Product	<b>89,271.82</b>	96,714.67
Revenue from Services	<b>4,864.88</b>	5,015.98
<b>Total, Revenue</b>	<b>94,136.70</b>	<b>1,01,730.65</b>



## Notes (Standalone)

### on financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

#### Note 43 : Events occurring after the reporting period

##### Other events

Refer to note 41 for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting

#### Note 44 : Earnings Per Share

Particulars	Apr'18-Mar'19	Apr'17-Mar'18
Basic & Diluted Earnings Per Share		
Total Operations		
Net Profit / (Loss) for the year	(284.11)	4,119.57
Weighted average numbers of equity shares	9,21,50,355	9,21,50,355
Basic & Diluted Earnings Per Share (₹ 2/-)	(0.31)	4.47

#### Note: 45- FINANCIAL RISK MANAGEMENT

##### Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Audit Committee of the Board of Directors.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a Finance department, which evaluates and exercises independent control over the entire process of market risk management. The Finance department recommend the risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

##### Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, finance department performs a comprehensive corporate interest rate risk management policy by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2019**  
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**Note: 45- FINANCIAL RISK MANAGEMENT : Contd.**

**Exposure to interest rate risk**

<i>Particulars</i>	<i>As at March 31, 2019</i>	<i>As at March 31, 2018</i>
Short Term Borrowings	11,339.36	10,993.14
Long Term Borrowings	18,410.11	17,249.24
Total Borrowings	29,749.47	28,242.38
% of Borrowings out of above bearing variable rate of Interest	38.12%	38.92%

**Interest Rate Sensitivity**

**A change of 50 bps in interest rates would have following impact on Profit before Tax**

	<i>2018-19</i>	<i>2017-18</i>
50 BPS increase would decrease the Profit before Tax by	56.70	54.97
50 BPS decrease would (increase) the Profit before Tax by	(56.70)	(54.97)

**Market Risk- Foreign currency risk.**

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD, EURO, GBP and AUD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Company risk management policy is to hedge forecasted foreign currency sales for the subsequent 24 to 60 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge forecasted sales.

The Company also imports certain materials and Capital Goods which are denominated in USD, EURO, GBP, CHF, JPY, CNY which exposes the company to foreign currency risk to minimise the risk of imports, the company hedges imports upto 12 to 60 months in advance by entering into foreign exchange forward contracts.

The spot component of forward contracts is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points.

**Notes (Standalone)**  
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**Note: 45- FINANCIAL RISK MANAGEMENT : Contd.**

**Derivative instruments and unhedged foreign currency exposure**

**(a) Derivative outstanding as at the reporting date**

(Foreign currency in lakhs)

	As at March 31, 2019		As at March 31, 2018	
	Currency	Amount	Currency	Amount
Forward Contract to Sell USD	USD	84.09	USD	96.00
Forward Contract to Buy USD	USD	38.00	USD	26.70
Forward Contract to Sell EURO	EURO	51.09	EURO	119.50
Forward Contract to Sell GBP	GBP	83.40	GBP	144.65
Forward Contract to BUY GBP	GBP	–	GBP	1.00
Swaps				
FCNR ( B )	USD	46.71	USD	65.40
ECB	USD	–	USD	–
ECB	GBP	38.13	GBP	53.38
ECB	Euro	30.00	Euro	–

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

**(b) Particulars of foreign currency exposures as at the reporting date**

As at March 31, 2019

(Foreign currency in lakhs)

Particulars	USD	EURO	GBP	AUD
Trade Receivables	100.51	44.25	43.60	0.97
Trade Payables	18.83	30.74	0.01	–
Loans Taken - Short Term & Long Term	84.71	30.00	38.13	–
Cash & Bank Balances	3.46	0.9	1.00	–

As at March 31, 2018

(Foreign currency in lakhs)

Particulars	USD	EURO	GBP	AUD
Trade Receivables	97.19	68.89	42.92	3.34
Trade Payables	13.15	33.08	0.04	–
Loans Taken - Short Term & Long Term	108.10	–	54.38	–
Cash & Bank Balances	–	0.05	–	–

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2019**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note: 45- FINANCIAL RISK MANAGEMENT : Contd.**

**(c) Foreign Currency Risk Sensitivity**

A change of 5% in foreign currency would have following Impact on Profit before Tax

	<i>2018-19</i>		<i>2017-18</i>	
	<i>5% increase</i>	<i>5% Decrease</i>	<i>5 % increase</i>	<i>5 % Decrease</i>
USD	(3.18)	3.18	17.49	(17.49)
EURO	(17.31)	17.31	37.60	(37.60)
GBP	5.74	(5.74)	(292.30)	292.30
AUD	1.02	(1.02)	3.51	(3.51)
CHF	(0.03)	0.03	–	–
Increase / (Decrease) in profit or loss	(13.76)	13.76	(233.70)	233.70

**Credit risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counter party,
- Financial or economic conditions that are expected to cause a significant change to the counter party's ability to meet its obligations,
- Significant increase in credit risk on other financial instruments of the same counter party,
- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of Profit and Loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

**Notes (Standalone)**  
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**Note: 45- FINANCIAL RISK MANAGEMENT : Contd.**

**Ageing of Account receivables**

	As at March 31, 2019	As at March 31, 2018
Not due	10,244.34	11,275.03
0-3 Months	3,344.43	3,153.26
3 - 6 Months	574.89	273.52
6 Months and above	6,229.10	6,476.29
<b>Total</b>	<b>20,392.76</b>	<b>21,178.10</b>

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

**Movement in provisions of doubtful debts**

	As at March 31, 2019	As at March 31, 2018
Opening Provision	395.53	434.64
Add :- Additional provision made	550.70	297.34
Less : - Provision written off	—	336.45
Less : - Provision reversed	—	—
Closing Provisions	946.23	395.53

**Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet the obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

**(i) Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	As at March 31, 2019	As at March 31, 2018
Floating Rate		
Expiring within one year (Cash Credit and other facilities)	11,644.03	14,086.00
Expiring beyond one year (bank loans)	—	—

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR. The amount is arrived at based on the Sanctioned Limits by the Banks and the same is subject to change based on the Maximum Permissible Bank Finance (MPBF) and Drawing Power.

**Notes (Standalone)**  
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 (All amounts in INR lakhs, unless otherwise stated)

**Note: 45- FINANCIAL RISK MANAGEMENT : Contd.**

**(ii) Maturity patterns of Borrowings**

	<i>As at March 31, 2019</i>				<i>As at March 31, 2018</i>			
	<i>0-1 Years</i>	<i>1-5 Years</i>	<i>&gt; 5 years</i>	<i>Total</i>	<i>0-1 Years</i>	<i>1-5 Years</i>	<i>&gt; 5 years</i>	<i>Total</i>
<b>Long term borrowings</b> (Including current maturity of long term debt)	<b>5,548.45</b>	<b>12,194.82</b>	<b>666.84</b>	<b>18,410.11</b>	4,921.64	11,794.26	533.34	<b>17,249.24</b>
<b>Short term borrowings</b>	<b>11,339.36</b>	–	–	<b>11,339.36</b>	10,993.14	–	–	<b>10,993.14</b>
<b>Total</b>	<b>16,887.81</b>	<b>12,194.82</b>	<b>666.84</b>	<b>29,749.47</b>	<b>15,914.78</b>	<b>11,794.26</b>	<b>533.34</b>	<b>28,242.38</b>

**(iii) Maturity Patterns of other Financial Liabilities**

<i>As at March 31, 2019</i>	<i>0-3 Months</i>	<i>3-6 Months</i>	<i>Beyond 6 Months</i>	<i>Total</i>
Trade Payable	14,509.07	–	–	14,509.07
Trade Payable related to Capital goods	220.41	–	2,340.93	2,561.34
Other Financial liability (Current and Non Current)	6,738.82	1,236.79	3,684.06	11,659.67
<b>Total</b>	<b>21,468.30</b>	<b>1,236.79</b>	<b>6,024.99</b>	<b>28,730.08</b>

<i>As at March 31, 2018</i>	<i>0-3 Months</i>	<i>3-6 Months</i>	<i>Beyond 6 Months</i>	<i>Total</i>
Trade Payable	13,315.22	100.60	186.46	13,602.28
Payable related to Capital goods	97.27	32.31	1,212.61	1,342.19
Other Financial liability (Current and Non Current)	6,561.51	1,222.14	3,147.78	10,931.43
<b>Total</b>	<b>19,974.00</b>	<b>1,355.05</b>	<b>4,546.85</b>	<b>25,875.90</b>

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2019**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 46:**

Contingent Liabilities not provided for:

		<i>As at March 31, 2019</i>	<i>As at March 31, 2018</i>
A)	Matters under dispute		
i)	Sales Tax (₹ 406.51 lakhs has been paid under protest Previous year ₹ 309.65 lakhs) **	850.56	850.56
ii)	Excise / Service Tax ***	499.76	499.76
iii)	Income Tax *	9.12	9.54
B)	Bank Guarantees	224.40	202.79
C)	Letters of Credit	505.24	1,595.24
D)	Estimated amount of contracts remaining to be executed on Capital Account , net of advances of ₹ 120.26 lakhs (Previous year ₹ 1,731.96 lakhs )	422.99	2,110.43

**Legal Case –**

The Company had availed a factoring facility from a Bank who refused to pay the amount of USD 25,004 to the Company on failure of a Customer to pay for the same. The case is pending in the City Civil Court.

A CFA has filed a case against the Company for recovery of the amount adjusted against credit note of ₹ 1.49 lakhs. The Company has disputed the Claim.

The Company has filed a case against a stockiest under section 138 under Negotiable Instruments Act 1881 for cheque bounce of ₹ 2.23 Lakhs

**\* Income Tax demand comprises of**

- a) TDS of ₹ 9.12 Lakhs (Previous year – ₹ 9.54 Lakhs) for Short Deduction appearing in traces.

**\*\* Sales Tax demand comprises of**

- a) ₹ 809.00 Lakhs (Previous year – ₹ 809.00 Lakhs) in respect of order from sales tax dept, Andhra Pradesh for classification dispute. The Company has filed an appeal before High Court which is yet to be heard.
- b) ₹ 20.21 Lakhs (Previous year – ₹ 20.21 Lakhs) as the amount of demand raised by sales tax officer for Financial Year 2007-08 and 2009-10 on account of input credit of entry tax. The Company has filed appeal before Commissioner.
- c) ₹ 21.35 Lakhs (Previous year – ₹ 21.35 Lakhs) in respect of order from sales tax dept, Seemandhra for classification dispute. The Company has preferred an appeal before High Court which is yet to be heard.

**\*\*\*Excise tax demand comprises of**

- a) Company appeal is pending before CESTAT for wrong availment of notification on exempted goods ₹ 0.66 Lakhs (Previous year – ₹ 0.66 Lakhs).
- b) Appeal pending before Dy Commissioner for classification dispute ₹ 5.04 Lakhs (Previous year – ₹ 5.04 Lakhs).
- c) CENVAT credit on input service ₹ 91.97 Lakhs (Previous year – ₹ 91.97 Lakhs), appeal pending before CESTAT.

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2019**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 46: Contd.**

- d) Company appeal is pending before Divisional Dy. Commissioner for wrong availment of CENVAT credit ₹ 0.79 Lakhs (Previous year – ₹ 0.79 Lakhs).
- e) Central excise department is in appeal before Supreme Court for Differential duty on inter-mixture of vitamins / minerals amounting to ₹ 2.91 Lakhs (Previous year – ₹ 2.91 Lakhs).
- f) CENVAT credit on input service ₹ 247.21 Lakhs (Previous year – ₹ 247.21 Lakhs), appeal pending before Commissioner of Service Tax.
- g) Company appeal is pending before CESTAT for CENVAT credit availment on physician sample amounting to ₹ 0.20 Lakhs (Previous year – ₹ 0.20 Lakhs).
- h) Central Excise department is in appeal at Supreme Court for valuation of physician sample ₹ 11.20 Lakhs (Previous year – ₹ 11.20 Lakhs).
- i) ₹ 139.78 Lakhs (Previous year – ₹ 139.78 Lakhs) pending before Commissioner of Central Excise Raigad Commissionerate for Exempted product- Allopurinol Value Based Duty Reversal.

**Note No :47**

**Assets Pledged As Security**

The carrying amount of assets pledged as security for current and non-current borrowings are:

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Current Assets</b>		
<b>Financial Assets</b>		
Floating Charge		
Receivables	19,446.53	20,782.58
Margin Money against L/c	1,353.67	1,282.98
<b>Non Financial Assets</b>		
Floating Charge		
Inventories	18,337.37	19,323.06
<b>Total Current Assets Pledged as security</b>	<b>39,137.57</b>	<b>41,388.62</b>
<b>Non Current Assets</b>		
First Charge		
Land & Building	4,931.87	3,569.89
Furniture, fittings and equipment	557.93	627.44
Plant and machinery	19,911.66	21,200.56
Others	2,545.62	2,914.43
<b>Total non-current assets Pledged as security</b>	<b>27,947.08</b>	<b>28,312.32</b>
<b>Total assets pledged as security</b>	<b>67,084.65</b>	<b>69,700.94</b>



**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2019**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 48**

Related Party Disclosure as required by Ind AS 24

**I. Related Parties**

(A)	Enterprises that control or are controlled by the reporting company:	
	Holding Companies	NIL
	Subsidiary Companies	Xtend Industrial Designers & Engineers Pvt Ltd.
	Fellow Subsidiaries	NIL
(B)	Associates and Joint Ventures of reporting company:	
	Associates	NIL
	Joint Ventures	NIL
(C)	(i) Individuals owning and having control of the reporting company Mr. Suresh G. Kare, Mrs. Aruna S. Kare, Ms. Aditi Panandikar, Mrs. Madhura Ramani	
	(ii) Their relatives: Dr. Milind Panandikar, Mr. Ramnath Kare, Mrs. Sudha Pai, Mrs. Pratima Vaidya, Mrs. Amita Rajadhyaksha, Mrs. Meera Karnik, Ms. Mahika Panandikar, Mr. Rohan Ramani, Mr. Megh Panandikar	
(D)	(i) Key Management Personnel : Mr. Suresh G. Kare, Ms. Aditi Panandikar, Mr. Sundeep V. Bambolkar	
	(ii) Their Relatives : Mrs. Aruna S. Kare, Mrs. Madhura A. Ramani, Mr. Ramnath Kare, Mrs. Sudha Pai, Dr. Milind Panandikar, Mrs. Neeta Bambolkar, Mr. Vasant Bambolcar, Ms. Manali Bambolkar, Mr. Paresh Bambolkar, Ms. Mahika Panandikar, Mr. Rohan Ramani, Mr. Megh Panandikar	
(E)	Enterprises controlled by key management personnel : SPA Holdings Pvt. Ltd., Shanteri Investments Pvt. Ltd., Indoco Capital Markets Ltd., A K Services, Suresh Kare Foundation, Warren Generics s.r.o,	

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2019**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 48:** *Contd.*

**II. Transactions in respect of which disclosures to be made**

(₹ In lakhs)

<i>Particulars of transaction</i>		<i>Enterprises that control or are controlled by reporting company</i>	<i>Associates and Joint Ventures of reporting company</i>	<i>Individuals owning and having control over the reporting company and their relatives</i>	<i>Key Management personnel and their relatives</i>	<i>Enterprises controlled by key management personnel</i>
		(A)	(B)	(C)	(D)	(E)
Purchases or sales of goods (finished or unfinished)	C. Y.	—	—	—	—	—
	P.Y.	—	—	—	—	—
Purchases or sales of fixed assets	C.Y.	—	—	—	—	—
	P.Y.	—	—	—	—	—
Rendering or receiving of services	C.Y.	194.60	—	—	—	100.47
	P.Y.	292.51	—	—	—	115.45
Agency arrangements	C.Y.	—	—	—	—	—
	P.Y.	—	—	—	—	—
Remuneration paid	C.Y.	—	—	—	510.71	—
	P.Y.	—	—	—	620.71	—
Transfer of research and development		—	—	—	—	—
License agreements	C.Y.	—	—	—	3.00	3.54
	P.Y.	—	—	—	3.00	42.51
Finance (including loans and equity contributions in cash or in kind)	C.Y.	12.41	—	—	—	0.70
	P.Y.	11.63	—	—	—	0.75
Guarantees and collaterals	C.Y.	—	—	—	—	—
	P.Y.	—	—	—	—	—
Management contracts including for deputation of employees		—	—	—	—	—
Receivable	C.Y.	—	—	—	—	—
	P.Y.	14.22	—	—	—	—
Payable	C.Y.	73.62	—	—	—	—
	P.Y.	55.74	—	—	—	—

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2019**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 48: Contd.**

Sr. No.	Particulars of Remuneration	Name of Executive Chairman / MD / JT. MD			Total Amount
		Mr. Suresh G Kare	Ms. Aditi Panandikar	Mr. Sundeep V Bambolkar	
1	Salary as per Provisions contained in Section 17 (1) of the Income tax Act, 1961	180.00	131.52	119.15	430.67
	Value of Perquisites under Section 17 (2) Income tax Act, 1961	–	2.50*	2.50*	5.00*
	Profit in Lieu of Salary under Section 17 (3) Income tax Act, 1961	–	–	–	–
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission / Incentive	–	–	–	–
5	Others , Please Specify – PF , SA	14.40	31.97	28.67	75.04
	Total (1+4)**	194.40	165.99	150.32	510.71
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)**				

\* Consists of Company contribution to Super Annuation Fund which is not considered while calculating the ceiling of Remuneration specified above under Section 198 of the Companies Act, 2013.

\*\* Members have by way of Postal Ballot, on March 7, 2019, passed a Special Resolution approving the payment of remuneration without restriction in case of no profit or inadequate profit.

**III. Transactions with related parties in ordinary course/ not in normal course/ not on an arm's length basis**

Particulars of transaction		Enterprises that control or are controlled by reporting company	Associates and Joint Ventures of reporting company	Individuals owning and having control over the reporting company and their relatives	Key Management personnel and their relatives	Enterprises controlled by key management personnel
		(A)	(B)	(C)	(D)	(E)
(i) Transactions in the ordinary course	C.Y.	207.01	–	–	513.71	104.71
	P.Y.	304.14	–	–	623.71	158.71
(ii) Transactions not in the normal course		–	–	–	–	–
(iii) Transactions not on an arm's length basis		–	–	–	–	–
(iv) Justification for (iii)		–	–	–	–	–

**Notes (Standalone)**  
**on financial statements for the year ended March 31, 2019**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note No: 49**

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows:

		2018 -19	2017-18
A	Principal Amount & Interest due on the above	6.66	97.76
B	Interest paid during the year beyond the appointed day	—	—
C	Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act	—	—
D	Amount of interest accrued and remaining unpaid at the end of the year.	—	—
E	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small Enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the ACT.	—	—

The above information regarding Micro Enterprises and small Enterprises has been determined on the basis of information available with the Company. No interest has been accrued on delayed payments, if any.

**Note No: 50**

Previous year's figures have been regrouped and reclassified wherever necessary.

*As per our Report of even date attached*

**For Gokhale & Sathe**  
*Chartered Accountants*  
 Firm Registration no.: 103264W

**Rahul Joglekar**  
*Partner*  
 M. No. 129389

**Aditi Panandikar**  
*Managing Director*  
 DIN : 00179113

**Mandar Borkar**  
*CFO*

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

**Jayshankar Menon**  
*Company Secretary*

Mumbai : May 29, 2019

## Financial Highlights (Standalone)

(₹ lakhs)

### OPERATIONAL REVIEW

	Year ended March 31, 2019	Year ended March 31, 2018
1) Revenue from Operations (Net of Returns) .....	96,774	104,158
2) EBIDTA .....	7,670	13,485
3) Depreciation and Amortisation Expenses .....	7,156	6,771
4) Finance Cost .....	2,054	2,351
5) Profit / (Loss) before Tax .....	(924)	4,843
6) Profit / (Loss) after Tax .....	(284)	4,120
7) Other comprehensive Income .....	(53)	23
8) Total Comprehensive income for the year .....	(337)	4,143

### FINANCIAL STRUCTURE

	March 31, 2019	March 31, 2018
<b>ASSETS</b>		
<b>Non Current Assets</b>		
1) Net Fixed Assets .....	65,295	62,429
2) Financial Assets .....	877	1,969
3) Deferred Tax Assets (net) .....	3,554	3,135
4) Current Tax Assets .....	918	307
5) Other Non Current Assets .....	1,535	2,245
<b>Current Assets</b>		
6) Inventories .....	18,337	19,323
7) Financial Assets .....	24,122	22,221
8) Other Current Assets .....	11,192	12,171
<b>Total Assets</b> .....	125,830	123,800
<b>LIABILITIES</b>		
9) Equity .....	66,108	67,556
<b>Non Current liabilities</b>		
10) Financial liabilities .....	13,598	13,039
11) Long Term Provisions .....	1,591	1,266
12) Other Non-Current Liabilities .....	—	250
<b>Current liabilities</b>		
13) Financial liabilities .....	39,338	36,158
14) Short Term Provisions .....	4,421	3,819
15) Other Current Liabilities .....	774	1,712
<b>Total Liabilities</b> .....	125,830	123,800

### MARGINS & RATIOS

	March 31, 2019	March 31, 2018
1) EBIDTA Margins on Gross Sales (net of returns) (%)	8.15	13.26
2) PAT Margins on Gross Sales (net of returns) (%)	(0.30)	4.05
3) Debt-to-Equity (%)	41.90	40.50
4) Interest Cost Cover (times)	0.86	3.45
5) Return on Net Worth (%)	(0.40)	6.10
6) Return on Capital Employed (%)	(0.30)	5.00

## Financial Highlights (Standalone)

### Operational Results

Particulars	(₹ lakhs)				
	Year ended March 31, 2019 IND-AS	Year ended March 31, 2018 IND-AS	Year ended March 31, 2017 IND-AS	Year ended March 31, 2016 IND-AS	Year ended March 31, 2015 IGAAP
1) Revenue from Operations (Net of Returns) / Other Income	97,389	104,637	109,820	100,644	85,538
2) Material Cost	32,018	34,939	38,161	34,797	29,845
3) Employee Benefits Expense	23,126	22,034	21,605	18,141	13,965
4) Other Expenses	28,807	28,350	28,807	26,181	22,868
5) Research & Development Expenses	5,152	5,349	5,171	4,318	2,167
6) Finance Cost	2,054	2,351	616	1,215	1,034
7) Depreciation and Amortisation Expenses	7,156	6,771	6,327	6,063	4,711
10) Profit / (Loss) Before Tax	(924)	4,843	9,133	9,929	10,948
11) Provision For Taxation	—	1,107	1,962	2,203	3,317
12) Deferred Tax (Net of MAT)	(640)	(384)	(574)	(503)	(650)
13) Profit / (Loss) After Tax	(284)	4,120	7,745	8,229	8,281
12) Other Comprehensive Income	(53)	23	13	(13)	—
13) Total Comprehensive Income	(337)	4,143	7,758	8,216	8,281
14) Retained Earnings	(1,448)	2,369	7,536	4,889	8,281
15) Earnings Per Share (₹ 2/-) (After exceptional items)	(0.31)	4.47	8.40	8.93	8.99
16) Book Value (₹ 2/-)	71.74	73.31	70.74	62.56	57.22
17) Net Debt to Equity Ratio (%)	41.90	40.60	33.80	22.40	15.90

### Financial Summary

Particulars	March 31, 2019 IND-AS	March 31, 2018 IND-AS	March 31, 2017 IND-AS	March 31, 2016 IND-AS	March 31, 2015 IND-AS
<b>ASSETS</b>					
<b>Non Current Assets</b>					
(a) Property, Plant and Equipment	41,658	44,107	39,275	33,431	31,105
(b) Capital Work in Progress	14,123	7,578	4,033	582	877
(c) Other Intangible Assets	5,094	4,766	4,700	3,895	4,448
(d) Intangible Assets under Development	4,420	5,978	5,030	4,898	3,669
(e) Financial Assets					
(i) Investments	245	261	282	261	64
(ii) Loans	126	107	180	130	24
(iii) Others	507	1,601	1,669	458	344
(f) Deferred Tax Asset (Net)	3,554	3,135	2,763	2,196	1,686
(g) Income Tax Asset (Net)	918	307	425	10	—
(h) Other Non Current Assets	1,535	2,245	4,349	1,923	911
<b>Total, Non current Assets</b>	<b>72,180</b>	<b>70,085</b>	<b>62,706</b>	<b>47,784</b>	<b>43,128</b>

## Financial Highlights (Standalone)

### Financial Summary Contd.

#### Particulars

March 31, 2019  
IND-AS

March 31, 2018  
IND-AS

March 31, 2017  
IND-AS

March 31, 2016  
IND-AS

March 31, 2015  
IND-AS

#### Current Assets

(a) Inventories	18,337	19,323	18,504	16,447	14,736
(b) Financial Assets					
(i) Investments	—	—	—	1,568	466
(ii) Trade Receivables	19,447	20,783	21,573	18,772	15,364
(iii) Cash and Cash Equivalents	2,072	848	5,992	1,025	1,040
(iv) Bank Balances other than (iii) above	1,546	332	248	218	357
(v) Loans	41	59	155	142	149
(vi) Other Current Financial Assets	1,015	199	1,291	393	458
(c) Other Current Assets	11,192	12,171	9,249	7,574	5,934
(d) Assets classified as held for sale	—	—	7	7	—
<b>Total Current Assets</b>	<b>53,650</b>	<b>53,715</b>	<b>57,019</b>	<b>46,146</b>	<b>38,504</b>

#### Total, Assets

125,830	123,800	119,725	93,930	81,632
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#### EQUITY AND LIABILITIES

##### Equity

(a) Equity Share Capital	1,843	1,843	1,843	1,843	1,843
(b) Other Equity	64,265	65,713	63,345	55,802	50,889
<b>Total Equity</b>	<b>66,108</b>	<b>67,556</b>	<b>65,188</b>	<b>57,645</b>	<b>52,732</b>

##### Liabilities

##### Non-current liabilities

(a) Financial Liabilities					
(i) Borrowings	12,866	12,328	13,231	3,788	1,278
(ii) Other Financial Liabilities	732	711	698	647	633
(b) Long Term Provisions	1,591	1,266	1,125	1,352	1,162
(c) Other Non-Current Liabilities	—	250	445	322	335
<b>Total, Non-Current Liabilities</b>	<b>15,189</b>	<b>14,555</b>	<b>15,499</b>	<b>6,109</b>	<b>3,408</b>

##### Current Liabilities

(a) Financial Liabilities					
(i) Borrowings	11,339	10,993	11,836	8,646	7,299
(ii) Trade Payables	17,071	14,945	16,417	13,101	11,863
(iii) Other Financial Liabilities	10,928	10,220	6,843	5,215	3,738
(b) Short Term Provisions	4,421	3,819	3,577	2,699	1,745
(c) Income Tax Liability (Net)	—	—	—	—	506
(d) Other Current Liabilities	774	1,712	365	515	341

#### Total, Current Liabilities

44,533	41,689	39,038	30,176	25,492
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#### Total, Liabilities

59,722	56,244	54,537	36,285	28,900
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#### Total, Equity and Liabilities

125,830	123,800	119,725	93,930	81,632
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## Financial Highlights (Standalone)

### FINANCIAL PERFORMANCE

		(₹ lakhs)
	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from Operations (Net of Returns) .....	96,774	1,04,158
Other Income .....	615	479
Total Income .....	97,389	1,04,637
<b>Profit before Finance Cost, Depreciation &amp; Amortisation &amp; Tax .....</b>	<b>8,286</b>	<b>13,965</b>
Less : Finance Cost .....	2,054	2,351
Depreciation and Amortisation Expenses .....	7,156	6,771
Profit / (Loss) Before Tax .....	(924)	4,843
Less : Provision for Taxation		
Current .....	—	1,107
Deferred .....	(640)	(384)
Net Profit / (Loss) After Tax .....	(284)	4,120
Other Comprehensive Income .....	(53)	23
Total Comprehensive Income .....	(337)	4,143
Balance brought forward .....	33,364	30,995
Amount available for appropriation .....	33,027	35,138
<b>Appropriations :</b>		
Dividend .....	922	1,474
Dividend Tax .....	189	300
Transfer to General Reserve .....	—	—
Balance carried forward .....	31,916	33,364
	33,027	35,138



## **Independent Auditors' Report (Consolidated)** to the Members of Indoco Remedies Limited

### **Report on the Consolidated Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated Ind AS financial statements of **Indoco Remedies Limited** ("the Holding Company") and its subsidiary (collectively referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated Statement of Profit and Loss including other comprehensive income, consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS ") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and its consolidated loss, its consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

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

<i>Sr. No.</i>	<i>Key Audit Matter</i>	<i>Auditor's response</i>
1.	<p>Direct and Indirect Tax receivables and contingent liabilities pertaining to tax matters under dispute.</p> <p>The Group has reflected ₹ 15,164.94 lakhs as receivables of Sales Tax, Entry Tax, GST Input credit, Income Tax, MAT credit etc. as at March 31, 2019. Further, the Group is a party to litigations in respect of various statutory dues where the amounts demanded are to the tune of ₹ 13.59 crores (of this, an amount of ₹ 4.06 crores has been deposited under protest)</p> <p>Contingent liabilities as defined in Ind AS 37 require assessment of probable outcomes and cash flows. The identification and quantification of contingent liabilities require estimation and judgement by the management. The ultimate recoverability of receivables is based on outcome of those proceedings and require inputs from subject specialists, management judgement and therefore required significant audit attention.</p>	<p>We have carried out the validation of the information provided by the management by performing the following procedures:</p> <ol style="list-style-type: none"> <li>Evaluating the reasonableness of the underlying assumptions</li> <li>Examining the relevant documents on record.</li> <li>Relying on relevant external evidence available including applicable judicial pronouncements and industry practices.</li> <li>Getting representations from the management wherever necessary.</li> </ol>
2.	<p>Provisions for sales returns</p> <p>The group provides for sales returns on an estimated basis as a percentage of sales. Such an estimate is arrived at on the basis of average of actual sales return over the last 3 financial years. Such estimation is based on management's best judgement of the probability of sales returns. Provision for sales return amounted to ₹ 2,428.81 Lakhs as on March 31, 2019</p> <p>Refer Note 27 to the Consolidated Financial Statements.</p>	<p>We have carried out the validation of the information provided by the management by performing the following procedures:</p> <ol style="list-style-type: none"> <li>Validating the process consistently implemented by the management in arriving at the estimates.</li> <li>Correlating the amounts of actual sales returns with the provisions made.</li> <li>Getting representations from the management wherever necessary.</li> </ol>

<i>Sr. No.</i>	<i>Key Audit Matter</i>	<i>Auditor's response</i>
3.	<p>Intangible assets under development</p> <p>The group undertakes several projects for new product development. Once the regulatory approvals are received, such items are reclassified as Intangible Assets in the books of accounts.</p> <p>The management makes an assessment as to whether all such projects are capable of being completed and capable of getting the requisite regulatory approvals. On the basis of such assessment, the costs incurred on such projects till the time regulatory approvals are obtained are reflected in the consolidated financial statements as "Intangible assets under development"</p> <p>The quantum of Intangible assets under development as at March 31, 2019 was ₹ 4,420.07 Lakhs. Refer Note 4 to the Consolidated Financial Statements.</p>	<p>We have carried out the validation of the information provided by the management by performing the following procedures:</p> <ol style="list-style-type: none"> <li>Obtaining detailed listing of all projects under development.</li> <li>Evaluating management judgement of technical and commercial feasibility of such projects and comparing the same with past record of such regulatory approvals.</li> <li>Getting representations from the management wherever necessary.</li> </ol>
4.	<p>IT Systems and controls</p> <p>Preparation of financial statements is highly dependant on IT systems employed by the company and other supporting software and hardware controls. Further, the group also has separate software applications for its Billing and Recovery process, Payroll process and an ERP solution for the routine accounting. Transfer of data from / to these softwares is critical for accurate compilation of financial information necessary for audit. Appropriate IT controls are required to ensure that these IT applications process data as expected and changes are made in an appropriate manner. Such controls contribute to mitigating the expected risk of erroneous output data. Our audit outcome is dependant on the extant IT controls and systems.</p>	<p>We have planned, designed and carried out the desired audit procedures and sample checks which in our opinion is adequate to provide reasonable assurance on the adequacy of IT controls in place. In addition we have relied on IS and other related audit reports provided by the management.</p>

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and

Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Management and Those charged with governance for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the companies included in group or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- i. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under the section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- vi. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements

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

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

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

From the matters communicated with those charged with governance, we determine those matters and are therefore the key audit matters. We describe these matters in our auditor's report unless that were of most significance in the audit of the consolidated financial statements of the current period law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

### **Other Matters**

We did not audit the financial statements of the subsidiary whose financial statements reflect total assets of ₹ 281.87 lakhs as at March 31, 2019, as well as total revenues of ₹ 71.81 lakhs for the year then ended, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor. Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditor.

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

1. As required by Section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
  - b) in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books;
  - c) the consolidated balance Sheet, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
  - d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under;

- e) on the basis of written representations received from the directors of the holding company as on March 31, 2019 taken on record by the Board of Directors of the holding company and the report of the statutory auditor of its subsidiary company, none of the directors of the Group Companies is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act
  - f) with respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in “Annexure A”
  - g) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
    - i. the consolidated Ind AS financial statements disclose the impact of pending litigations as at March 31, 2019 on the consolidated financial position of the Group – Refer Note No. 47 to the consolidated Ind AS financial statements,
    - ii. as required under the applicable law or Accounting Standards the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses,
    - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and subsidiary company.
2. As required by Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

Place : Mumbai  
Date : May 29, 2019

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

**Rahul Joglekar**  
*Partner*  
Membership No. 129389

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## **ANNEXURE A**

### **to Independent Auditors' Report (Consolidated)**

#### **as required by Sec. 143(3) of Companies Act 2013**

*(Referred to in our Report of even date on consolidated financial statements of Indoco Remedies Limited as at March 31, 2019)*

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Indoco Remedies Limited ('the Holding Company') and its subsidiary company, as of that date.

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

The Respective Board of Directors of the Holding Company and its subsidiary company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Holding Company and its subsidiary company, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting of the Company and its subsidiary company.



### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the subsidiary company, is based on the corresponding report of the auditor of such company. Our opinion is not qualified in respect of this matter.

Place : Mumbai  
Date : May 29, 2019

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

**Rahul Joglekar**  
*Partner*  
Membership No. 129389

## Consolidated Balance Sheet

As at March 31, 2019

Particulars	Note No.	March 31, 2019	March 31, 2018
(₹ lakhs)			
<b>ASSETS</b>			
<b>Non Current Assets</b>			
(a) Property, Plant and Equipment .....	3	41,661.76	44,111.02
(b) Capital Work in Progress .....	3	14,122.90	7,577.64
(c) Goodwill on consolidation .....		9.00	9.00
(d) Other Intangible Assets .....	4	5,094.17	4,766.03
(e) Intangible Assets under Development .....	4	4,420.08	5,978.17
(f) Financial Assets			
(i) Investments .....	5(a)	2.10	2.10
(ii) Loans .....	6	125.62	106.77
(iii) Other Financial Assets .....	7	507.55	1,603.32
(g) Deferred Tax Assets (Net) .....	8	3,550.99	3,131.64
(h) Income Tax Assets (Net) .....	9	942.91	338.70
(i) Other Non Current Assets .....	10	1,562.68	2,272.38
<b>Total, Non current Assets .....</b>		<b>71,999.76</b>	<b>69,896.77</b>
<b>Current Assets</b>			
(a) Inventories .....	11	18,345.06	19,338.27
(b) Financial Assets			
(i) Investments .....	5(b)	—	—
(ii) Trade Receivables .....	12	19,583.72	20,950.59
(iii) Cash and Cash Equivalents .....	13	2,079.68	858.15
(iv) Bank Balances other than (iii) above .....	14	1,546.33	332.22
(v) Loans .....	15	43.23	46.20
(vi) Other Financial Assets .....	16	1,015.28	198.87
(c) Other Current Assets .....	17	11,191.92	12,171.82
<b>Total Current Assets .....</b>		<b>53,805.22</b>	<b>53,896.12</b>
<b>Total, Assets .....</b>		<b>1,25,804.98</b>	<b>1,23,792.89</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital .....	18	1,843.01	1,843.01
(b) Other Equity .....	19	64,219.23	65,655.10
<b>Total, Equity attributable to owners of Indoco Remedies Ltd. .....</b>		<b>66,062.24</b>	<b>67,498.11</b>
(c) Non-controlling interest .....		—	0.08
<b>Total Equity .....</b>		<b>66,062.24</b>	<b>67,498.19</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities .....			
(i) Borrowings .....	20	12,865.71	12,327.59
(ii) Other Financial Liabilities .....	21	731.95	711.49
(b) Provisions .....	22	1,594.96	1,269.50
(c) Other Non-Current Liabilities .....	23	—	250.00
<b>Total, Non-Current Liabilities .....</b>		<b>15,192.62</b>	<b>14,558.58</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings .....	24	11,339.37	10,993.14
(ii) Trade Payables .....	25	—	—
Total Outstanding Dues of Micro Enterprises and Small Enterprises .....		18.38	99.26
Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises .....		17,053.89	14,855.71
(iii) Other Financial Liabilities .....	26	10,934.65	10,227.33
(b) Provisions .....	27	4,425.77	3,822.21
(c) Other Current Liabilities .....	28	778.06	1,738.47
<b>Total, Current Liabilities .....</b>		<b>44,550.12</b>	<b>41,736.12</b>
<b>Total, Liabilities .....</b>		<b>59,742.74</b>	<b>56,294.70</b>
<b>Total, Equity and Liabilities .....</b>		<b>1,25,804.98</b>	<b>1,23,792.89</b>

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

As per our Report of even date attached

For **Gokhale & Sathe**

Chartered Accountants

Firm Registration no.: 103264W

**Rahul Joglekar**

Partner

M. No. 129389

**Aditi Panandikar**

Managing Director

DIN : 00179113

**Mandar Borkar**

CFO

**Sundeep V Bambolkar**

Jt. Managing Director

DIN : 00176613

**Jayshankar Menon**

Company Secretary

Mumbai : May 29, 2019

## Consolidated Statement of Profit and Loss Account

For the year ended March 31, 2019

	Note No.	Year ended March 31, 2019	(₹ lakhs) Year ended March 31, 2018
<b>Income</b>			
(a) Revenue from Operations .....	29	96,844.74	104,529.90
(b) Other Income .....	30	614.61	468.59
<b>Total Income (I) .....</b>		<b>97,459.35</b>	<b>104,998.49</b>
<b>Expenditure</b>			
(c) Cost of Materials Consumed .....	31	24,016.56	27,991.89
(d) Purchase of Stock in Trade .....	31	6,676.57	6,460.72
(e) Changes in Inventories of Finished Goods, Stock in Trade & Work in Progress .....	31	1,332.18	330.00
(f) Excise Duty on Sale of Goods .....		—	336.04
(g) Employee Benefit Expenses .....	32	23,165.56	22,091.21
(h) R&D Expenses .....	33	5,151.55	5,348.98
(i) Finance Costs .....	36	2,053.89	2,350.90
(j) Depreciation and Amortization Expense .....	34	7,156.87	6,771.36
(k) Other Expenditure .....	35	28,837.39	28,477.57
<b>Profit / (Loss) before Tax .....</b>		<b>(931.22)</b>	<b>4,839.82</b>
(l) Provision for Tax .....	37	—	1,107.39
(a) Current .....		(640.82)	(383.67)
(b) Deferred .....		—	—
<b>Total Taxes .....</b>		<b>(640.82)</b>	<b>723.72</b>
<b>Profit / (Loss) for the year .....</b>		<b>(290.40)</b>	<b>4,116.10</b>
(m) <b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit and loss			
i) Remeasurements of post-employment benefit obligations .....	38	(80.74)	35.26
ii) Income tax relating to this item .....	37	28.21	(12.32)
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		—	0.35
<b>Total Other Comprehensive Income .....</b>		<b>(52.53)</b>	<b>23.29</b>
<b>Total Comprehensive income for the year .....</b>		<b>(342.93)</b>	<b>4,139.39</b>
<b>Profit attributable to :</b>			
Equity Shareholders of the Company .....		(290.40)	4,116.10
Non-Controlling Interest .....		—	—
		<b>(290.40)</b>	<b>4,116.10</b>
<b>Other comprehensive income is attributable to:</b>			
Equity Shareholders of the Company		(52.53)	23.29
Non-Controlling Interest		—	—
		<b>(52.53)</b>	<b>23.29</b>
<b>Total comprehensive income is attributable to:</b>			
Equity Shareholders of the Company .....		(342.93)	4,139.39
Non-Controlling Interest .....		—	—
		<b>(342.93)</b>	<b>4,139.39</b>
(n) <b>Earnings Per Share</b>			
<b>Basic &amp; Diluted (₹) .....</b>	45	<b>(0.32)</b>	<b>4.47</b>

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

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

**Rahul Joglekar**  
Partner  
M. No. 129389

**Aditi Panandikar**  
Managing Director  
DIN : 00179113

**Mandar Borkar**  
CFO

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

**Jayshankar Menon**  
Company Secretary

Mumbai : May 29, 2019

## Consolidated Cash Flow Statement

For the year ended March 31, 2019

(₹ lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
<b>(A) Cash Flow from Operating Activities :</b>		
<b>Net Profit / (Loss) before tax and extraordinary item</b>	<b>(931.22)</b>	4,839.82
Adjustments for :		
Depreciation and Amortisation Expense	7,156.87	6,771.36
Profit on sale of Fixed Assets	(0.31)	(171.55)
Loss on sale of Fixed Assets	20.65	16.36
Sundry Balance written back	(110.29)	(35.40)
Provision for Doubtful Debts / Bad Debts	601.02	754.98
Investment in Subsidiaries Written off	29.02	—
Interest Income	(154.84)	(213.05)
Dividend received on Investments	(0.32)	(0.27)
Unrealised Foreign Exchange (Gain) / Loss	(730.16)	727.94
Finance Cost (Other than Unrealised Foreign Exchange (Gain) / Loss)	2,123.70	1,916.30
	<b>8,935.34</b>	9,766.67
<b>Operating Profit before Working Capital Change</b>	<b>8,004.12</b>	<b>14,606.49</b>
Adjustments for:		
Decrease / (Increase) in Trade Receivables	1,426.22	(431.15)
Decrease / (Increase) in Other Current Financial Assets	(813.44)	1,102.98
Decrease / (Increase) in Other Current Assets	979.87	(2,842.33)
Decrease / (Increase) in Inventories	993.21	(643.77)
Decrease / (Increase) in Other Non Current Financial Assets	1,082.97	91.59
Decrease / (Increase) in Other Non Current Assets	(33.97)	(176.10)
Increase / (Decrease) in Trade Payables	2,227.58	(1,412.56)
Increase / (Decrease) in Non Current Financial Liabilities	20.46	13.26
Increase / (Decrease) in Non Current Provisions	244.71	176.27
Increase / (Decrease) in Other Non Current Liabilities	(250.00)	(194.67)
Increase / (Decrease) in Current Financial Liabilities	41.02	1,384.41
Increase / (Decrease) in Current Provisions	603.57	238.71
Increase / (Decrease) in Other Current Liabilities	(960.40)	1,370.18
	<b>5,561.80</b>	(1,323.18)
<b>Cash generated from Operations</b>	<b>13,565.92</b>	<b>13,283.31</b>
Income Tax Paid (Net of Refund)	(354.54)	(1,011.62)
<b>Net Cash generated from Operating Activities (A)</b>	<b>13,211.38</b>	<b>12,271.69</b>

## Consolidated Cash Flow Statement

For the year ended March 31, 2019

... Contd. from previous page

(₹ lakhs)

<b>(B) Cash Flow from Investing Activities</b>		
Payment towards Capital Expenditure	(9,694.86)	(13,944.76)
Sale of Fixed Assets	395.27	218.48
Proceeds from sale of Investments	(11.12)	—
Bank Balance not considered as Cash & Cash Equivalents	(1,214.10)	(99.36)
Interest Received	148.83	282.62
Dividend received on Investments	0.32	0.27
<b>Net Cash used in Investing Activities (B)</b>	<b>(10,375.66)</b>	<b>(13,542.75)</b>
<b>(C) Cash Flow from Financing Activities</b>		
Finance Cost (Other than Unrealised Foreign Exchange (Gain) / Loss)	(2,081.71)	(1,902.27)
Dividend Paid	(1,109.37)	(1,773.08)
Proceeds from Long Term Borrowings	6,166.30	3,808.00
Repayment of Long Term Borrowings	(4,886.86)	(3,122.58)
Proceeds / (Repayment) from Short Term Borrowings	297.45	(886.81)
<b>Net Cash inflow / (outflow) from Financing Activities (C)</b>	<b>(1,614.19)</b>	<b>(3,876.74)</b>
<b>Net Increase / (Decrease) in Cash or Cash Equivalents (A+B+C)</b>	<b>1,221.53</b>	<b>(5,147.80)</b>
<b>Cash and Cash Equivalents at the beginning of the Financial Year</b>	<b>858.15</b>	<b>6,005.95</b>
<b>Cash and Cash Equivalents at the end of the Financial Year (Refer Note 13)</b>	<b>2,079.68</b>	<b>858.15</b>

### Notes:

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

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

**Rahul Joglekar**  
Partner  
M. No. 129389

**Aditi Panandikar**  
Managing Director  
DIN : 00179113

**Mandar Borkar**  
CFO

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

**Jayshankar Menon**  
Company Secretary

Mumbai : May 29, 2019

## Statement for Changes in Equity (Consolidated)

For the year ended March 31, 2019

### a. Equity Share Capital

(₹ lakhs)

	Note No	Amount
As at April 1, 2017	18	1,843.01
Changes in Equity Share Capital		—
<b>As at March 31, 2018</b>		<b>1,843.01</b>
Changes in Equity Share Capital		—
<b>As at March 31, 2019</b>		<b>1,843.01</b>

### b. Other Equity

(₹ lakhs)

Particulars	Note No.	Attributable to owners of Indoco Remedies Ltd.						Non-Controlling Interest	Total
		Reserves & Surplus					Total Reserves		
		Securities Premium	Capital reserve	General re-serve	Foreign Currency Monetary Item Translation Difference	Retained Earnings			
<b>Balance as at April 1, 2017</b>	19	<b>6,420.93</b>	<b>0.02</b>	<b>25,817.64</b>	<b>(0.40)</b>	<b>31,052.04</b>	<b>63,290.23</b>	<b>0.08</b>	<b>63,290.31</b>
Profit for the year		—	—	—	—	4,116.10	4,116.10	—	4,116.10
Other comprehensive income for the year		—	—	—	—	23.29	23.29	—	23.29
<b>Total Comprehensive income for the year</b>		—	—	—	—	4,139.39	4,139.39	—	4,139.39
Dividends (including dividend distribution tax of ₹ 300.16 lakhs)		—	—	—	—	(1,774.58)	(1,774.58)	—	(1,774.58)
Transfer to General Reserve		—	—	—	—	—	—	—	—
Exchange gain/(loss) on translation during the year		—	—	—	0.06	—	0.06	—	0.06
<b>Balance as at March 31, 2018</b>		<b>6,420.93</b>	<b>0.02</b>	<b>25,817.64</b>	<b>(0.34)</b>	<b>33,416.85</b>	<b>65,655.10</b>	<b>0.08</b>	<b>65,655.18</b>
<b>Balance as at April 1, 2018</b>		<b>6,420.93</b>	<b>0.02</b>	<b>25,817.64</b>	<b>(0.34)</b>	<b>33,416.85</b>	<b>65,655.10</b>	<b>0.08</b>	<b>65,655.18</b>
Profit / (Loss) for the year		—	—	—	—	(290.40)	(290.40)	—	(290.40)
Other comprehensive Income for the year		—	—	—	—	(52.53)	(52.53)	—	(52.53)
<b>Total comprehensive income for the year</b>		—	—	—	—	(342.93)	(342.93)	—	(342.93)
Dividends (including dividend distribution tax of ₹ 189.42 lakhs)		—	—	—	—	(1,110.92)	(1,110.92)	—	(1,110.92)
Transfer to General Reserve		—	—	—	—	—	—	—	—
Written off Opening Retained Earnings		—	—	—	—	17.64	17.64	(0.08)	17.56
Exchange gain/(loss) on translation during the year		—	—	—	0.34	—	0.34	—	0.34
<b>Balance as at March 31, 2019</b>		<b>6,420.93</b>	<b>0.02</b>	<b>25,817.64</b>	<b>—</b>	<b>31,980.64</b>	<b>64,219.23</b>	<b>—</b>	<b>64,219.23</b>

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

Remeasurement gain (net of tax) on defined benefit plan ₹ 52.53 Lakhs (Previous year ₹ 23.29 Lakhs) is recognised during the year as part of Retained Earnings.

# Notes to Consolidated Financial Statements

## For the year ended March 31, 2019

### 1. Corporate Information

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

<i>Name of the subsidiary</i>	<i>Country of Incorporation</i>	<i>% of Holding and voting power either directly or indirectly through subsidiary as at March 31, 2019</i>	<i>% of Holding and voting power either directly or indirectly through subsidiary as at March 31, 2018</i>
<b>Indian Subsidiary :</b>			
Xtend Industrial Designers & Engineers Pvt Ltd	India	100%	100%

The Financial statements are approved for issued by the company Board of Directors on May 29, 2019.

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

#### a) Basis of Preparation

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

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

Effective April 1, 2016, the company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, *First-time Adoption of Indian Accounting Standards*, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed Under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

##### (ii) Historical cost convention

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

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

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

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

(iv) ***Rounding of amounts***

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

b) **Principles of Consolidation and Equity Accounting**

(i) ***Subsidiaries***

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

c) **Segment Reporting**

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

d) **Foreign Currency Translation**

(i) ***Functional and presentation currency***

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

(ii) ***Transactions and balances***

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

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

e) **Revenue Recognition**

The company derives major portion of its revenue from manufacturing and marketing of Formulations (Finished Dosage Forms) and Active Pharmaceutical Ingredients (APIs). Other sources of revenue include Dossiers development, Analytical Studies and Bio-equivalent studies undertaken by the company on behalf of customers.

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



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

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

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

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

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

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

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

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

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

### **iv. Sales Return**

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

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

Export Incentives under various schemes are accounted in the year of export.

### **f) Government Grants**

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

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

### **g) Income Tax**

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

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

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

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

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

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

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

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

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

Acquisition-related costs are expensed as incurred.

The excess of the

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

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

**i) Cash and Cash Equivalents**

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

**j) Cash Flow Statements**

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

**k) Trade Receivables and contract balances**

The company classifies the right to consideration in exchange for deliverables as a receivable. Trade receivables are presented net of impairment in the Balance Sheet

**l) Inventories**

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

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

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

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

**n) Derivatives and Hedging Activities**

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

**o) Property, Plant and Equipment**

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

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

accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

#### **Transition to IND AS**

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

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

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

<b>Asset Class</b>	<b>Useful Life</b>
Building and Premises - Office	60 years
Building and Premises - Factory	30 years
Plant and Machinery	15 years
Handling Equipment	15 years
Pollution Control Equipment	10 years
Laboratory Equipment	10 years
R & D Equipment	10 years
Plant Utilities	15 years
Electric Installation	10 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Computers - Desktops, Laptop etc.	3 years
Computers - Servers and Networks	6 years
Networking Instrument	6 years
Air Conditioning Unit	15 years
Vehicles	8 years

The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

#### **p) Intangible Assets**

##### **(i) Computer software**

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use

- Management intends to complete the software and use it
- There is an ability to use the software
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use the software are available, and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

**(ii) ANDA / DMFs / Dossiers**

All revenue expenditure incurred till the development of ANDAs / DMFs / Dossiers etc. are grouped under intangible assets under development. Once the development is complete, the expenditures incurred on the said project is capitalised & grouped under “Intangible Assets” and amortised based on best estimated commercial revenue period, not exceeding 5 years. The carrying value of the capitalised project is reviewed for impairment annually.

**(iii) Amortisation methods and periods**

The Group amortises intangible assets with a finite useful life using the straight-line method over the following periods:

- |                                  |           |
|----------------------------------|-----------|
| • Trade Mark/ Technical Know how | 15 years  |
| • Technical Know how             | 10 Years  |
| • Computer software              | 3 years   |
| • ANDA / DMF                     | 3-5 years |

**q) Trade and Other Payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid on recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

**r) Borrowings**

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

**s) Borrowing Costs**

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

**t) Provisions**

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

**u) Employee Benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

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

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

**(iii) Post-employment obligations**

The Group operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity
- (b) Defined contribution plans such as provident fund and Superannuation

**Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

**Defined Contribution Plans**

Defined Contribution Plans such as Provident Fund, Superannuation etc., are charged to the Statement of Profit and Loss as incurred.

**v) Contributed Equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**i) Earnings per Share**

***Basic earnings per share***

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

***Diluted earnings per share***

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**Dividends to shareholders**

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by shareholders. Any interim dividend paid is recognised on approval by board of directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

**w) Leases**

**Finance lease**

Assets taken on lease by the group in its capacity as lessee, where the group has substantially all the risks and rewards of ownership are classified as finance lease.

**Operating Lease**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease.

**x) Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. Contingent liabilities are disclosed in the Note No-47.

**NOTE 2: Use of Estimates and Judgments**

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.



## Notes (Consolidated) on financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

### Note 3 : Property, Plant and Equipment

	Land	Building & Premises	Plant & Machinery	Handling Equipments	Pollution Control Equipments	Laboratory Equipments	R&D Equipments	Plant - Utilities	Electrical Installations	Furniture & Fixtures	Office Equipments	Computers	Networking Instruments	Air conditioning units	Vehicles	Total	Capital Work in Progress
<b>Year ended March 31, 2018</b>																	
<b>Gross carrying amount</b>																	
Opening gross carrying amount as at April 1, 2017	4,031.90	15,268.04	15,917.35	1,035.88	341.65	8,250.22	1,942.64	5,752.59	2,630.89	2,003.83	608.46	1,320.75	43.83	3,294.72	391.53	<b>62,834.28</b>	<b>4,032.86</b>
Additions	–	297.13	273.13	39.24	33.63	567.50	–	144.02	39.98	31.76	21.65	46.54	–	9.27	–	<b>1,503.85</b>	<b>10,682.35</b>
Assets capitalised during the year	2.00	1,791.37	3,470.63	226.33	–	547.66	–	538.70	291.31	53.84	4.10	5.88	–	205.75	–	<b>7,137.57</b>	<b>(7,137.57)</b>
from CWIP	–	–	–	–	–	–	–	–	–	–	(0.89)	(21.85)	–	–	(120.28)	<b>(178.39)</b>	<b>–</b>
Disposals	–	–	(35.37)	–	–	–	–	–	–	–	–	–	–	–	–	<b>(178.39)</b>	<b>–</b>
<b>Closing gross carrying amount</b>	<b>4,033.90</b>	<b>17,356.54</b>	<b>19,625.74</b>	<b>1,301.45</b>	<b>375.28</b>	<b>9,365.38</b>	<b>1,942.64</b>	<b>6,435.31</b>	<b>2,962.18</b>	<b>2,089.43</b>	<b>633.32</b>	<b>1,351.32</b>	<b>43.83</b>	<b>3,509.74</b>	<b>271.25</b>	<b>71,297.31</b>	<b>7,577.64</b>
<b>Accumulated depreciation</b>																	
Opening accumulated depreciation	183.74	3,907.29	5,289.21	518.53	278.58	2,958.62	1,744.01	2,439.56	1,829.42	1,200.54	465.00	1,033.34	42.45	1,511.01	146.96	<b>23,548.26</b>	<b>–</b>
Depreciation charge during the year	29.30	516.20	1,184.63	57.77	11.78	845.06	23.91	404.49	139.84	139.58	44.35	112.15	0.06	215.31	35.32	<b>3,759.75</b>	<b>–</b>
Disposals	–	(0.19)	(23.24)	–	–	–	–	–	–	–	(0.84)	(20.75)	–	–	(76.70)	<b>(121.72)</b>	<b>–</b>
<b>Closing accumulated depreciation</b>	<b>213.04</b>	<b>4,423.30</b>	<b>6,450.60</b>	<b>576.30</b>	<b>290.36</b>	<b>3,803.68</b>	<b>1,767.92</b>	<b>2,844.05</b>	<b>1,969.26</b>	<b>1,340.12</b>	<b>508.51</b>	<b>1,124.74</b>	<b>42.51</b>	<b>1,726.32</b>	<b>105.58</b>	<b>27,186.29</b>	<b>–</b>
<b>Net carrying amount</b>	<b>3,820.86</b>	<b>12,933.24</b>	<b>13,175.14</b>	<b>725.15</b>	<b>84.92</b>	<b>5,561.70</b>	<b>1,747.72</b>	<b>3,591.26</b>	<b>992.92</b>	<b>749.31</b>	<b>124.81</b>	<b>226.58</b>	<b>1.32</b>	<b>1,783.42</b>	<b>165.67</b>	<b>44,111.02</b>	<b>7,577.64</b>
<b>Year ended March 31, 2019</b>																	
<b>Gross carrying amount</b>																	
Opening gross carrying amount as at April 1, 2018	4,033.90	17,356.54	19,625.74	1,301.45	375.28	9,365.38	1,942.64	6,435.31	2,962.18	2,089.43	633.32	1,351.32	43.83	3,509.74	271.25	<b>71,297.31</b>	<b>7,577.64</b>
Additions	–	56.06	485.74	15.61	–	335.82	–	123.23	7.80	37.97	28.96	251.26	–	12.12	–	<b>1,354.57</b>	<b>7,298.16</b>
Assets capitalised during the year	23.71	275.66	299.31	0.71	–	34.14	–	89.01	19.08	3.45	–	0.51	–	7.32	–	<b>752.90</b>	<b>(752.90)</b>
from CWIP	(413.37)	–	(30.46)	(0.17)	–	(17.53)	–	–	(8.34)	–	(2.78)	–	–	(0.90)	(23.58)	<b>(497.13)</b>	<b>–</b>
Disposals	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	<b>(23.58)</b>	<b>–</b>
<b>Closing gross carrying amount</b>	<b>3,644.24</b>	<b>17,688.26</b>	<b>20,380.33</b>	<b>1,317.60</b>	<b>375.28</b>	<b>9,717.81</b>	<b>1,942.64</b>	<b>6,647.55</b>	<b>2,980.72</b>	<b>2,130.85</b>	<b>659.50</b>	<b>1,603.09</b>	<b>43.83</b>	<b>3,528.28</b>	<b>247.67</b>	<b>72,907.65</b>	<b>14,122.90</b>
<b>Accumulated depreciation and impairment</b>																	
Opening accumulated depreciation	213.04	4,423.30	6,450.60	576.30	290.36	3,803.68	1,767.92	2,844.05	1,969.26	1,340.12	508.51	1,124.74	42.51	1,726.32	105.58	<b>27,186.29</b>	<b>–</b>
Depreciation charge during the year	26.86	573.97	1,398.76	71.03	10.95	887.50	19.41	442.21	159.41	129.07	38.95	137.17	0.06	219.46	26.30	<b>4,141.11</b>	<b>–</b>
Disposals	(12.96)	–	(28.88)	(0.13)	–	(15.03)	–	–	(6.31)	–	(2.64)	–	–	(0.62)	(14.94)	<b>(81.51)</b>	<b>–</b>
<b>Closing accumulated depreciation</b>	<b>226.94</b>	<b>4,997.27</b>	<b>7,820.48</b>	<b>647.20</b>	<b>301.31</b>	<b>4,676.15</b>	<b>1,787.33</b>	<b>3,286.26</b>	<b>2,122.36</b>	<b>1,469.19</b>	<b>544.82</b>	<b>1,261.91</b>	<b>42.57</b>	<b>1,945.16</b>	<b>116.94</b>	<b>31,245.89</b>	<b>–</b>
<b>Closing net carrying amount</b>	<b>3,417.30</b>	<b>12,690.99</b>	<b>12,559.85</b>	<b>670.40</b>	<b>73.97</b>	<b>5,041.66</b>	<b>155.31</b>	<b>3,361.29</b>	<b>858.36</b>	<b>661.66</b>	<b>114.68</b>	<b>341.18</b>	<b>1.26</b>	<b>1,583.12</b>	<b>130.73</b>	<b>41,661.76</b>	<b>14,122.90</b>

(i) **Leased Assets**  
Land includes the following amounts where the group is a lessee under a finance lease.

	March 31, 2019	March 31, 2018
<b>Land</b>		
Cost / Deemed Cost (Gross)	1,839.88	2,229.53
Accumulated Amortisation	(226.94)	(213.04)
<b>Net carrying amount</b>	<b>1,612.94</b>	<b>2,016.49</b>

The lease term in respect of assets acquired under finance lease is 95 years. Renewal shall be based on further terms and payment of premium as may be decided / determined by lessor.

(ii) **Capital Work in Progress**  
Capital work in progress mainly comprises :

- New plant at Patalganga
- Regular Capex for new projects

(iii) **Property, Plant and Equipment pledged as security**

Refer to note 48 for information on Property, Plant and equipment pledged as security by the group.



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(All amounts in INR lakhs, unless otherwise stated)

**Note 4 : Other Intangible Assets**

	Trade Mark	Computer Software *	Technical Knowhow	ANDAs,DMFs, Dossiers	Total	Intangible Assets under development
<b>Year ended March 31, 2018</b>						
<b>Gross carrying amount</b>						
Opening gross carrying amount as at April 1, 2017	1,032.30	1,142.04	1.15	11,945.75	<b>14,121.24</b>	5,030.30
Additions	–	113.60	–	–	<b>113.60</b>	3,917.79
Intangible Assets Capitalised	–	–	–	2,969.92	<b>2,969.92</b>	(2,969.92)
<b>Closing gross carrying amount</b>	<b>1,032.30</b>	<b>1,255.64</b>	<b>1.15</b>	<b>14,915.67</b>	<b>17,204.76</b>	<b>5,978.17</b>
<b>Accumulated amortisation</b>						
Opening accumulated amortisation	847.62	756.28	1.09	7,822.13	<b>9,427.12</b>	–
Amortisation for the year	48.78	178.93	–	2,783.90	<b>3,011.61</b>	–
<b>Closing accumulated amortisation</b>	<b>896.40</b>	<b>935.21</b>	<b>1.09</b>	<b>10,606.03</b>	<b>12,438.73</b>	–
<b>Net carrying amount</b>	<b>135.90</b>	<b>320.43</b>	<b>0.06</b>	<b>4,309.64</b>	<b>4,766.03</b>	<b>5,978.17</b>
<b>Year ended March 31, 2019</b>						
<b>Gross carrying amount</b>						
Opening gross carrying amount as at April 1, 2018	1,032.30	1,255.64	1.15	14,915.67	<b>17,204.76</b>	5,978.17
Additions	–	217.39	–	–	<b>217.39</b>	1,568.42
Intangible Assets Capitalised	–	–	–	3,126.51	<b>3,126.51</b>	(3,126.51)
<b>Closing gross carrying amount</b>	<b>1,032.30</b>	<b>1,473.03</b>	<b>1.15</b>	<b>18,042.18</b>	<b>20,548.66</b>	<b>4,420.08</b>
<b>Accumulated amortisation</b>						
Opening accumulated amortisation	896.40	935.21	1.09	10,606.03	<b>12,438.73</b>	–
Amortisation for the year	48.78	244.91	–	2,722.07	<b>3,015.76</b>	–
<b>Closing accumulated amortisation</b>	<b>945.18</b>	<b>1,180.12</b>	<b>1.09</b>	<b>13,328.10</b>	<b>15,454.49</b>	–
<b>Closing net carrying amount</b>	<b>87.12</b>	<b>292.91</b>	<b>0.06</b>	<b>4,714.08</b>	<b>5,094.17</b>	<b>4,420.08</b>

\* Computer software also consists of capitalised development costs being an internally generated intangible asset.

**Notes (Consolidated)**  
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**Note 5(a) : Non Current Financial Investments**

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
<b>Non-Trade Investment</b>		
<b>Investments in Equity Instruments</b>		
<b>Other than Subsidiary Companies</b>		
(i) Shivalik Solid Waste Management Ltd. Baddi [20,000 Shares of ₹ 10 each, (Previous Year 20,000 Shares of ₹ 10 each)]	<b>2.00</b>	2.00
(ii) Shares of Saraswat Co-op. Bank Ltd. [1,000 ordinary shares of ₹ 10 each, (Previous Year 1,000 ordinary shares of ₹ 10 each)]	<b>0.10</b>	0.10
<b>Total, Non Current Financial Investments</b>	<b>2.10</b>	<b>2.10</b>

**Note 5(b) : Current Financial Investments**

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
<b>Unquoted : (at cost)</b>		
National Spot Exchange	<b>462.90</b>	466.47
<b>Total</b>	<b>462.90</b>	<b>466.47</b>
Less : Provision for diminution in value of investment	<b>(462.90)</b>	(466.47)
<b>Total, Current Financial Investments</b>	<b>—</b>	<b>—</b>

**Note 6 : Non Current Financial Assets - Loans**

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
<u>Unsecured, Considered Good</u>		
Loan to Employees	<b>125.62</b>	106.77
<b>Total, Non Current Financial Assets - Loans</b>	<b>125.62</b>	<b>106.77</b>

**Note 7 : Non Current Other Financial Assets**

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
Deposit - Others	<b>281.88</b>	274.90
Tender Deposits	<b>72.23</b>	43.06
Deposit - Group Insurance	<b>0.11</b>	0.11
Margin money	<b>153.33</b>	1,285.25
<b>Total, Non Current Other Financial Assets</b>	<b>507.55</b>	<b>1,603.32</b>

**Notes (Consolidated)**  
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**Note 8 : Deferred Tax Assets (Net)**

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
Mat Credit Entitlement	<b>5,291.84</b>	5,620.74
<u>Deferred Tax (Net)</u>		
Deferred Tax Liability		
i) On fiscal allowances on fixed assets	<b>(3,736.69)</b>	(4,029.85)
	<b>(3,736.69)</b>	(4,029.85)
Deferred Tax Assets		
i) On employee benefit obligations	<b>1,503.43</b>	1,239.54
ii) On provision for doubtful debts	<b>330.65</b>	138.21
iii) On provision for doubtful advances	<b>161.76</b>	163.00
	<b>1,995.84</b>	1,540.75
<b>Total, Deferred Tax Assets (Net)</b>	<b>3,550.99</b>	<b>3,131.64</b>

**Movement in Deferred Tax Assets (Net)**

<i>Particulars</i>	<i>MAT Credit Entitlement</i>	<i>Deferred Tax Assets</i>			<i>Deferred Tax Liabilities</i>			<i>Net Total</i>
		<i>Employee benefit obligation</i>	<i>Provisions</i>	<i>Total</i>	<i>Property, Plant and equipment and investment property</i>	<i>Financial assets at fair value through profit or loss</i>	<i>Total</i>	
<b>At April 1, 2017</b>	6,242.20	989.03	311.86	1,300.89	4,342.50	440.31	4,782.81	2,760.28
(Charged)/credited:								
to profit or loss	(621.46)	238.19	(10.65)	227.54	(312.65)	(440.31)	(752.96)	359.04
to other comprehensive income	—	12.32	—	12.32	—	—	—	12.32
<b>At March 31, 2018</b>	<b>5,620.74</b>	<b>1,239.54</b>	<b>301.21</b>	<b>1,540.75</b>	<b>4,029.85</b>	<b>—</b>	<b>4,029.85</b>	<b>3,131.64</b>
(Charged)/credited:								
to profit or loss	(79.23)	292.10	191.20	483.30	(293.16)	—	(293.16)	697.23
to other comprehensive income	—	(28.21)	—	(28.21)	—	—	—	(28.21)
to Deferred tax on basis adjustment	(249.67)	—	—	—	—	—	—	(249.67)
<b>At March 31, 2019</b>	<b>5,291.84</b>	<b>1,503.43</b>	<b>492.41</b>	<b>1,995.84</b>	<b>3,736.69</b>	<b>—</b>	<b>3,736.69</b>	<b>3,550.99</b>

**Notes (Consolidated)**  
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 (All amounts in INR lakhs, unless otherwise stated)

**Note 9 : Income Tax Assets (Net)**

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
Opening balance	338.70	434.47
Add:: Taxes paid (net)	604.21	1,011.62
Less : Current Tax payable for the year	–	(1,107.39)
<b>Closing balance</b>	<b>942.91</b>	<b>338.70</b>

The following table provides the details of income tax assets and liabilities as of March 31, 2019 and March 31, 2018

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
Income Tax Assets	942.91	338.70
Income Tax Liabilities	–	–
<b>Closing balance</b>	<b>942.91</b>	<b>338.70</b>

**Note 10 : Other Non Current Assets**

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
Capital Advance	774.84	1,518.50
Pre-Paid Expenses	2.77	8.38
Sales Tax Receivable	782.12	742.55
Advance - Others	2.95	2.95
<b>Total, Other Non Current Assets</b>	<b>1,562.68</b>	<b>2,272.38</b>

**Note 11 : Inventories**

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
Work in Progress	2,492.39	2,778.85
Finished Goods	3,729.42	4,542.65
Stock in Trade	1,113.60	1,346.09
Stores and Spares	755.42	714.41
<b>Total, Inventories</b>	<b>18,345.06</b>	<b>19,338.27</b>

**Amounts recognised in profit or loss**

Provision for write-downs of inventories amounted to INR 1188.15 lakhs (March 31, 2018 – INR 920.97 lakhs). These were recognised as an expense during the year and included in changes in value of inventories of work-in-progress, stock-in-trade and finished goods in statement of profit and loss.

**Notes (Consolidated)**  
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**Note 12 : Trade Receivables**

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
<u>Unsecured</u>		
Debts outstanding for more than six months from the date they are due for payment		
Considered Good	5,432.06	6,172.11
Considered Doubtful	946.23	395.52
	6,378.29	6,567.63
Less: Provision for doubtful debts	(946.23)	(395.52)
	5,432.06	6,172.11
Other Debts - Considered Good	14,151.66	14,778.48
<b>Total, Trade receivables</b>	<b>19,583.72</b>	<b>20,950.59</b>
Current Portion	19,583.72	20,950.59
Non-current Portion	—	—

**Break-up of security details**

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
Secured, considered good	—	—
Unsecured, considered good	19,583.72	20,950.59
Considered Doubtful	946.23	395.52
<b>Total</b>	<b>20,529.95</b>	<b>21,346.11</b>
Allowance for doubtful trade receivables	(946.23)	(395.52)
<b>Total, Trade receivables</b>	<b>19,583.72</b>	<b>20,950.59</b>

Refer Note 46 for information about credit risk and market risk of trade receivables.

**Note 13 : Cash and Cash Equivalents**

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
(i) Cash on hand	9.25	15.32
(ii) Balances with Banks		
In Current Accounts	995.97	713.30
In EEFC Accounts	184.24	3.81
In Margin Accounts	52.38	—
In Fixed Deposit	837.84	125.72
<b>Total, Cash and Cash Equivalents</b>	<b>2,079.68</b>	<b>858.15</b>

**Notes (Consolidated)**  
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**Note 14 : Bank Balances Other than Cash & Cash Equivalents**

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
In Earmarked Accounts		
Unpaid Dividend Accounts	30.70	29.14
Margin Accounts	1,515.63	303.08
<b>Total, Bank Balances Other than Cash &amp; Cash Equivalents</b>	<b>1,546.33</b>	<b>332.22</b>

**Note 15 : Current Financial Assets - Loans**

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
<u>Unsecured, Considered Good</u>		
Loan to Employees	43.23	46.20
<b>Total, Current Financial Assets - Loans</b>	<b>43.23</b>	<b>46.20</b>

**Note 16 : Current Financial Assets - Others**

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
Tender Deposits	14.15	11.37
Mark to Market Gain (Net) on financial instruments	997.70	174.86
Insurance Claim Receivable	3.12	12.35
Franking Advance	0.31	0.29
<b>Total, Current Financial Assets - Others</b>	<b>1,015.28</b>	<b>198.87</b>

**Note 17 : Other Current Assets**

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
Advances to Suppliers	1,020.58	862.35
Share Application Money	0.90	–
Pre-paid Expenses	534.95	455.53
Employee Advances	45.45	47.29
Receivable - Others	18.16	3.26
Balance with Statutory / Government Authorities	9,571.88	10,803.39
<b>Total, Other Current Assets</b>	<b>11,191.92</b>	<b>12,171.82</b>

**Notes (Consolidated)**  
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**Note 18 : Equity Share Capital**

Particulars	March 31, 2019	March 31, 2018
<b>Authorised</b>		
12,50,00,000 Equity Shares of ₹ 2/- each (Previous Year 12,50,00,000 Equity Shares of ₹2/- each)	<u>2,500.00</u>	<u>2,500.00</u>
<b>Issued, Subscribed and Paid up:</b>		
9,21,50,355 Equity Share of ₹ 2/- each (Previous year 9,21,50,355 Equity Share of ₹ 2/-each) fully paid up.	<u>1,843.01</u>	<u>1,843.01</u>

A) Reconciliation of number of ordinary shares outstanding	March 31, 2019		March, 31, 2018	
	Equity Shares		Equity Shares	
	Number	(₹ lakhs)	Number	(₹ lakhs)
Shares outstanding at the beginning of the year	9,21,50,355	1,843.01	9,21,50,355	1,843.01
Less :Adjustments	—	—	—	—
Add: Issue of Bonus shares	—	—	—	—
Less: Shares bought back during the year	—	—	—	—
Shares outstanding at the end of the year	9,21,50,355	1,843.01	9,21,50,355	1,843.01

B) Details of Shares held by each shareholder holding more than 5% shares	March 31, 2019		March 31, 2018	
	No of Shares held @ ₹ 2/- per share	% holding in that class of Shares	No of Shares held @ ₹ 2/- per share	% holding in that class of Shares
Equity Shares with voting rights :				
i) Spa Holdings Pvt. Ltd.	1,83,35,000	19.90%	1,83,35,000	19.90%
ii) Shanteri Investment Pvt. Ltd.	1,57,71,755	17.12%	1,57,71,755	17.12%
iii) Aditi Panandikar	55,59,013	6.03%	55,59,013	6.03%
iv) Madhura Ramani	51,84,079	5.63%	51,84,079	5.63%
v) Aruna Suresh Kare	47,94,714	5.20%	47,94,714	5.20%

**C) Terms/rights attached to equity shares**

The company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. All equity shares of the Company rank pari passu in all respects including the right to dividend. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2019, the amount of ₹ 0.30 per share on the face value of ₹ 2 is proposed to the equity shareholders of the company (Previous year - ₹ 1.00 declared and paid as Final dividend to the equity shareholders of the Company).

In the event of winding-up, subject to the rights of holders of shares issued upon special terms and conditions, the holders of equity shares shall be entitled to receive remaining assets, if any, in proportion to the number of shares held at the time of commencement of winding-up.

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**Note 19 : Other Equity**

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
Capital Reserve	0.02	0.02
Securities Premium	6,420.93	6,420.93
Foreign Currency Monetary Item Translation Difference a/c	—	(0.34)
General Reserve	25,817.64	25,817.64
Retained Earnings	31,980.64	33,416.85
<b>Total, Other Equity</b>	<b>64,219.23</b>	<b>65,655.10</b>

**(i) Capital Reserve**

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
Opening Balance	0.02	0.02
Additions	—	—
<b>Closing balance</b>	<b>0.02</b>	<b>0.02</b>

**(ii) Securities Premium**

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
Opening Balance	6,420.93	6,420.93
Additions	—	—
<b>Closing balance</b>	<b>6,420.93</b>	<b>6,420.93</b>

**(iii) Foreign Currency Monetary Item Translation Difference a/c**

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
Opening Balance	(0.34)	(0.40)
Transactions during the year	0.34	0.06
<b>Closing balance</b>	<b>—</b>	<b>(0.34)</b>

**(iv) General Reserve**

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
Opening balance	25,817.64	25,817.64
Add : Transferred from Surplus in Statement of Profit & Loss	—	—
<b>Closing balance</b>	<b>25,817.64</b>	<b>25,817.64</b>



**Notes (Consolidated)**  
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**Note 19 : Other Equity: Contd.**

**(v) Retained Earnings**

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
Opening balance	33,416.85	31,052.04
Add : Net Profit / (Loss) for the Year	(290.40)	4,116.10
Add : Other Comprehensive Income	(52.53)	23.29
Amount available for appropriation	33,073.92	35,191.43
Less : Retained Earnings	17.64	–
Less : Dividend paid	(921.50)	(1,474.42)
Less : Dividend Tax	(189.42)	(300.16)
<b>Closing balance</b>	<b>31,980.64</b>	<b>33,416.85</b>

**Nature of reserves**

**(a) Capital reserve**

The Group recognises profit and loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

**(b) Securities premium**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

**(c) General reserve**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

**(d) Foreign currency translation reserve**

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income, net of taxes and is presented within equity in the foreign currency translation reserve.

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2019**  
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**Note 20 : Non-Current Financial Liabilities - Borrowings**

Particulars	Terms of Repayment & Securities	March 31, 2019	March 31, 2018
<b>Secured</b>			
Term Loans from Banks			
Foreign currency loan -ECB / FCNR(B)	Note No. 20 (i)	8,757.75	8,904.62
Indian rupee loan	Note No. 20 (ii)	9,519.21	8,279.40
Vehicle Loan from Bank	Note No. 20 (iii)	14.44	22.97
Interest accrued but not due	Note No. 26	118.71	42.25
<b>Total, Non Current Financial Liabilities - Borrowings</b>		<b>18,410.11</b>	<b>17,249.24</b>
Less: Current maturities of long-term debt (included in note 26)		(5,425.69)	(4,879.40)
Less: Interest accrued (included in note 26)		(118.71)	(42.25)
<b>Total, Non-current borrowings (as per balance sheet)</b>		<b>12,865.71</b>	<b>12,327.59</b>

Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured long term borrowings.

Note No.	Name of the Bank	Terms of Repayment & Securities
20 (i)	Citi Bank	
	Amount Sanctioned	USD 74,73,841.60
	Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly installments of USD 467,115.10 each commencing from December 19, 2017 ending on September 19, 2021. The amount is payable in the month of March, June, September and December of each year.
	Rate of Interest	6.70 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement).
	Nature of Security	The loan is secured by (a) First Exclusive charge over the entire moveable fixed assets of the Company both present and future and equitable mortgage of Land and Building situated at HB : 211, Village : Katha, P O Baddi, Tehsil Baddi, Dist Solan, Himachal Pradesh, 173 205 (b) First and Exclusive charge over the Entire moveable Fixed Assets of the Company both present and future situated at Plant I, Village Katha, Baddi, Himachal Pradesh, Pin 173 205.

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**Note 20 : Non-Current Financial Liabilities - Borrowings: Contd.**

Note No.	Name of the Bank	Terms of Repayment & Securities
20 (i)	Standard Chartered Bank	
	Amount Sanctioned	GBP 61,00,000.00
	Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly installments of GBP 381,250 each commencing from December 29, 2017 ending on September 29, 2021. The amount is payable in the month of March, June, September and December of each year.
	Rate of Interest	5.60 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement).
	Nature of Security	The loan is secured / to be secured by equitable mortgage of Land and building situated at A-26, A-28/1, A-28/2 MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra - 410 220.  The loan is secured by First Exclusive charge over the entire moveable fixed assets of the Company both present and future situated at A-26, A-28/1, A-28/2 MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra - 410 220.  Exclusive charge on moveable fixed assets of the Company created out of the Loan at A - 27, MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra.- 410 220.
20 (i)	Standard Chartered Bank	
	Amount Sanctioned	Euro 30,00,000.00
	Terms of Repayment	The Term Loan is Repayable in 16 equal quarterly installments of Euro 1,87,500 each commencing from January 13, 2020 ending on October 11, 2023. The amount is payable in the month of January, April, July and October of each year.
	Rate of Interest	7.61 % p.a. (The rate of interest is fixed as Company has entered into Interest rate swap Agreement).
	Nature of Security	The loan is secured / to be secured by equitable mortgage of Land and building situated at A-26, A-28/1, A-28/2 MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra - 410 220.  The loan is secured by First Exclusive charge over the entire moveable fixed assets of the Company both present and future situated at A-26, A-28/1, A-28/2 MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra - 410 220.  Exclusive charge on moveable fixed assets of the Company created out of the Loan at A - 27, MIDC Industrial Area, Patalganga, Village Kaire, Tal Khalapur, Dist Raigad, Maharashtra.- 410 220.

**Notes (Consolidated)**  
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**Note 20 : Non-Current Financial Liabilities - Borrowings: Contd.**

Note No.	Name of the Bank	Terms of Repayment & Securities
20 (ii)	Saraswat Co-op Bank Ltd. Amount Sanctioned Terms of Repayment  Rate of Interest Nature of Security	₹ 50,00,00,000/- The Term Loan is Repayable in 59 monthly equal installments of ₹ 83,33,000/- each and 60th installment of ₹ 83,53,000/- commencing from December 14, 2019, ending on November 14, 2024  8.05% p.a. Primary : First and Exclusive Charge on moveable assets at B 20 MIDC, Waluj, Aurangabad. 1st pari passu charge on moveable assets at L-14, Verna Industrial Area, Verna, Salcete Goa – 403 722 & L-32/33/34, Verna Industrial Area, Verna, Salcete Goa – 403 722
20 (ii)	Saraswat Co-op Bank Ltd. Amount Sanctioned Terms of Repayment  Rate of Interest Nature of Security	₹ 35,00,00,000/- The Term Loan is Repayable in 32 equal monthly installments of ₹ 64,97,750 each and last installment of ₹ 64,93,205 ending on December 19, 2021.  9.15% p.a. Primary : First and Exclusive charge over the entire moveable fixed assets of the Company at Plot No. R - 92 & R - 93, T. T. C. Industrial Area, Rabale, MIDC Thane Belapur Road, Navi Mumbai 400 701.
20 (ii)	Citi Bank Amount Sanctioned Terms of Repayment  Rate of Interest Nature of Security	₹ 60,00,00,000/- The Term Loan is Repayable in 6 equal quarterly installments of ₹ 3,95,83,333/- each ending on July 20, 2020.  9.50 % p.a. The loan is secured by Parri Passu charge on Present and future moveable fixed assets located at Goa Plant L-14, Verna Industrial Area, Verna, Salcete Goa – 403 722 & L-32 /33/34, Verna Industrial Area, Verna ,Salcete Goa – 403 722.
20 (iii)	Vehicle Loan Amount Sanctioned Terms of Repayment  Rate of Interest Nature of Security	₹ 41,00,000/- The Loan is Repayable in 60 equated monthly installments (EMI) of ₹ 86,530/- each (including principal and interest) commencing from October 07, 2015 ending on September 07, 2020  9.71 % p.a. The loan is secured by hypothecation of the vehicle which has been purchased against the Loan.

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2019**  
(All amounts in INR lakhs, unless otherwise stated)

**Note 21 : Non Current Other Financial Liabilities**

Particulars	March 31, 2019	March 31, 2018
<b>Unsecured</b>		
Security Deposit	727.53	707.02
Deposit Others	4.42	4.47
<b>Total, Non Current Other Financial Liabilities</b>	<b>731.95</b>	<b>711.49</b>

**Note 22 : Non Current Provisions**

Particulars	March 31, 2019	March 31, 2018
<b>Provision for Employee Benefit</b>		
Leave Obligations (refer note no. 38)	703.46	672.26
Gratuity (refer note no. 38)	891.50	597.24
<b>Total, Non Current Provisions</b>	<b>1,594.96</b>	<b>1,269.50</b>

**Note 23 : Other Non Current Liabilities**

Particulars	March 31, 2019	March 31, 2018
Advance Received	—	250.00
<b>Total, Other Non Current Liabilities</b>	<b>—</b>	<b>250.00</b>

**Note 24 : Current Financial Liabilities - Borrowings**

Particulars	Terms of Repayment & Securities	March 31, 2019	March 31, 2018
<b>Secured (Refer Note below)</b>			
Loans from Banks			
Cash Credit Facility	Note No. 24 (i)	2,969.41	2,287.56
Foreign Currency Export Packing Credit	Note No. 24 (ii)	—	2,000.00
Working Capital Demand Loan	Note No. 24 (iv)	1,000.00	500.00
Interest accrued		43.40	38.86
<b>Unsecured</b>			
Loans from Banks			
Foreign Currency Export Packing Credit	Note No. 24 (ii)	2,626.56	866.72
Packing Credit in Rupee	Note No. 24 (iii)	—	800.00
Working Capital Demand Loan	Note No. 24 (iv)	1,400.00	1,900.00
Short Term Loan	Note No. 24 (v)	3,300.00	2,600.00
<b>Total, Current borrowings</b>		<b>11,339.37</b>	<b>10,993.14</b>
Less: Interest accrued (included in note 26)		—	—
<b>Total, Current borrowings (as per balance sheet)</b>		<b>11,339.37</b>	<b>10,993.14</b>

Note : Cash Credit , Foreign Currency Export Packing Credit , Packing Credit in Rupee and Working Capital Demand Loan are part of Working Capital facilities availed from various Banks and are secured by First parri passu charge by hypothecation of all stocks and book debts.

**Notes (Consolidated)**  
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**Note 24 : Current Financial Liabilities - Borrowings: Contd.**

Note No.	Type of Loan	Repayment and Rate of Interest
24 (i)	Cash Credit Facility	Is repayable on demand and carries interest @ 8.25 % p.a. to 10.15 % p.a. (Previous year @ 8.25 % p.a. to 10.50 % p.a.)
24 (ii)	Foreign Currency Export Packing Credit	Is payable on completion of the tenure. It carries interest @ LIBOR + 1% BPS to 1.80% BPS. (Previous year LIBOR + 60 BPS to 200 BPS)
24 (iii)	Packing Credit in Rupee	Is payable on completion of the tenure. It carries interest @ 7.50% to 8.20% p.a. (Previous Year @ 7.50% p.a.)
24 (iv)	Working Capital Demand Loan	Is repayable on demand and carries interest @ 7.70% p.a. to 8.75% p.a. (Previous year 7.65 % p.a. to 8.20 % p.a.)
24 (v)	Short Term Loan	Is repayable on demand and carries interest @ 8.15% p.a. to 8.80% p.a (Previous year 7.85% p.a. to 8.15 % p.a.)

**Note 25 : Trade Payables**

Particulars	March 31, 2019	March 31, 2018
Total Outstanding Dues of Micro and Small Enterprises	18.38	99.26
Total Outstanding Dues of Creditors Other Than Micro and Small Enterprises	17,053.89	14,855.71
<b>Total, Trade Payables</b>	<b>17,072.27</b>	<b>14,954.97</b>

**Note 26 : Current Other Financial Liabilities**

Particulars	March 31, 2019	March 31, 2018
<b>Secured</b>		
Term Loans from Banks		
Indian Rupee loan	2,696.38	2,308.95
Vehicle Loan	10.38	10.38
Foreign Currency loan -ECB / FCNR(B)	2,718.92	2,560.06
Interest accrued	118.71	42.25
Unpaid Dividends	30.70	29.14
<b>Unsecured</b>		
Deposit Payable - Others	0.75	—
Other Current Liabilities	5,358.81	5,276.55
<b>Total, Current Other financial liabilities</b>	<b>10,934.65</b>	<b>10,227.33</b>

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2019**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 27 : Current Provisions**

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
<b>Provision for Employee Benefit</b>		
Leave Obligations (refer note no. 38)	191.52	163.94
Gratuity (refer note no. 38)	774.12	674.05
Bonus	1,031.32	941.89
<b>Others</b>		
Sales Return	2,428.81	2,042.33
<b>Total, Provisions</b>	<b>4,425.77</b>	<b>3,822.21</b>

- (i) Information about individual provisions and significant estimates

**Sales Returns**

When a customer has a right to return the product within a given period, the company recognises a provision for returns INR 2,023.27 lakhs as at March 31, 2019 (March 31, 2018 - INR 2,000.49 lakhs). This is measured on the previous history of sales return. Revenue is adjusted for the expected value of the returns and cost of sales & Inventory are adjusted for the value of the corresponding goods to be returned.

- (ii) Movements in provisions for Sales Return

Movements in each class of provision during the financial year, are set out below:

<i>Particulars</i>	<i>Sales Return</i>
<b>As at April 1, 2018</b>	<b>2,042.33</b>
Charged/(credited) to profit or loss	
provision for current year	2,023.27
provision of earlier years utilised as against returns of current year	(1,636.79)
<b>As at March 31, 2019</b>	<b>2,428.81</b>

**Note 28 : Other Current Liabilities**

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
Advance Received	160.64	174.09
Car Sale Advance	4.15	12.41
Statutory Dues	613.27	1,551.97
<b>Total, Other Liabilities</b>	<b>778.06</b>	<b>1,738.47</b>

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**Note 29 : Revenue from operations**

<i>Particulars</i>	<i>Apr'18-Mar'19</i>	<i>Apr'17-Mar'18</i>
Sale of Product		
Domestic Sales	63,807.85	61,888.60
(Previous year includes Excise duty of ₹ 336.04 Lakhs)		
Export Sales	25,463.96	34,826.07
	89,271.81	96,714.67
Sale of Services		
Export Services	3,117.56	3,569.73
Domestic Services	1,818.74	1,818.76
	4,936.30	5,388.49
Other Operating Revenue		
Exchange Gain/(Loss) (Net) (other than considered in Finance Cost)	1,647.28	1,086.22
Export Incentives	954.50	1,314.77
Scrap Sale	34.85	25.75
	2,636.63	2,426.74
<b>Total, Revenue from Operations (Gross)</b>	<b>96,844.74</b>	<b>1,04,529.90</b>

*Note : The Government of India has implemented Goods and Services tax ('GST') with effect from July 1, 2017, which replaced excise duty and various other indirect taxes. As per Ind AS 115, revenue is reported net of GST. However, revenue for the year ended March 31, 2018 is inclusive of excise duty to the extent of revenue from April 1, 2017 to June 30, 2017. Accordingly, revenue for the year ended March 31, 2019 is not strictly comparable with the corresponding year.*

**Critical judgements in calculating amounts**

When a customer has a right to return the product within a given period, the company recognises a provision for returns INR 2,023.27 lakhs as at March 31, 2019 (March 31, 2018 - INR 2,000.49 lakhs). This is measured on the previous history of sales return. Revenue is adjusted for the expected value of the returns and cost of sales & Inventory are adjusted for the value of the corresponding goods to be returned.

**Additional disclosures as required by Ind AS 115**

**Disaggregate revenue information**

The table below presents disaggregated revenue information from contracts with customers for the year ended 31<sup>st</sup> March 2019. The company believes that this disaggregation reasonably depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.



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**Note 29 : Revenue from operations: Contd.**

<i>Particulars</i>	<i>Apr'18-Mar'19</i>	<i>Apr'17-Mar'18</i>
<b>Formulation :</b>		
Domestic	60,619.39	59,498.00
Export		
Regulated Market :	16,085.24	27,563.29
Emerging Market :	7,264.63	7,168.86
Export, Total	23,349.87	34,732.15
<b>Formulation, Total (a)</b>	<b>83,969.26</b>	<b>94,230.15</b>
API (b)	8,222.19	6,087.06
CRO, Analytical Services & Others (c)	2,016.66	1,785.95
<b>Gross Sales (Net of Returns), Total (a + b + c)</b>	<b>94,208.11</b>	<b>1,02,103.16</b>
Other Operating Revenue	2,636.63	2,426.74
<b>Income from Operation, Total</b>	<b>96,844.74</b>	<b>1,04,529.90</b>

**Performance obligations**

**a. Significant payment terms**

In case of Domestic Sales, payment terms range from 7 days to 90 days based on geography and customers. In case of Export Sales these are either DP at sight, Document against acceptance - 30 days to 120 days, Letters of Credit - 30 days to 120 days.

**b. Obligations for returns, refunds and similar obligations**

In case of domestic sales, sales return may take place anytime before / after the expiry of goods.

**Note 30 : Other Income**

<i>Particulars</i>	<i>Apr'18-Mar'19</i>	<i>Apr'17-Mar'18</i>
Interest Received	154.84	213.05
Sundry Receipts	348.85	48.32
Sundry Balance w/back	110.29	35.40
Dividend Received	0.32	0.27
Profit on Sale of Fixed Assets	0.31	171.55
<b>Total, Other income</b>	<b>614.61</b>	<b>468.59</b>

**Notes (Consolidated)**  
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**Note 31 : Cost of Materials Consumed**

<i>Particulars</i>	<i>Apr'18-Mar'19</i>	<i>Apr'17-Mar'18</i>
Cost of Material Consumed		
Opening Stock	9,956.27	8,893.48
Add : Purchases	24,314.52	29,054.68
Less : Closing Stock	(10,254.23)	(9,956.27)
	24,016.56	27,991.89
Purchase of Stock in Trade	6,676.57	6,460.72
Excise Duty on Sale of Goods	—	336.04
(Incr.) / Decr. in Stk. of FG, Stock in Trade & WIP :		
Inventories at the beginning of the year		
Op.Stock - Finished Goods	4,542.65	4,171.51
Op.Stock - Stock in Trade	1,346.09	1,476.05
Op.Stock - WIP	2,778.85	3,350.03
	8,667.59	8,997.59
Inventories at the end of the year		
Cl.Stock - Finished Goods	(3,729.42)	(4,542.65)
Cl.Stock - Stock in Trade	(1,113.60)	(1,346.09)
Cl.Stock - WIP	(2,492.39)	(2,778.85)
	(7,335.41)	(8,667.59)
Net (Increase) / Decrease	1,332.18	330.00
<b>Total, Cost of material consumed</b>	<b>32,025.31</b>	<b>35,118.65</b>

**Note 32 : Employee Benefits Expense**

<i>Particulars</i>	<i>Apr'18-Mar'19</i>	<i>Apr'17-Mar'18</i>
Salaries, Wages and Bonus	19,529.95	19,051.80
Contribution to Provident and Other Funds	1,825.12	1,762.31
Staff Welfare Expenses	1,810.49	1,277.10
<b>Total, Employee benefit expense</b>	<b>23,165.56</b>	<b>22,091.21</b>

**Note 33 : Research & Development Expenses**

<i>Particulars</i>	<i>Apr'18-Mar'19</i>	<i>Apr'17-Mar'18</i>
R&D Employee Cost	2,361.58	2,270.71
Other R&D Expenses	2,789.97	3,078.27
<b>Total, Research &amp; Development Expenses</b>	<b>5,151.55</b>	<b>5,348.98</b>

**Notes (Consolidated)**  
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**Note 34 : Depreciation and amortisation expenses**

Particulars	Note No	Apr'18-Mar'19	Apr'17-Mar'18
Depreciation of Property, Plant and Equipment	3	4,141.11	3,759.75
Amortisation of Intangible Assets	4	3,015.76	3,011.61
<b>Total, Depreciation and amortisation expenses</b>		<b>7,156.87</b>	<b>6,771.36</b>

**Note 35 : Other Expenses**

Particulars	Apr'18-Mar'19	Apr'17-Mar'18
Consumable Stores	337.61	319.28
Job Work Charges	940.92	995.10
Power and Fuel	2,848.69	2,662.48
Rent, Rates, Taxes	451.66	514.33
Insurance	131.33	136.41
Repairs :		
Building	158.95	62.40
Plant and Machinery	1,074.20	960.73
Others	1,442.15	1,282.48
	2,675.30	2,305.61
Packing and Delivery Expenses	3,051.90	3,076.97
Analytical Expenses	1,602.07	1,224.98
Turnover and Additional Tax	5.07	58.50
Advertising and Sales Promotion Expenses	3,993.40	3,485.70
Commission and Incentives on sales	2,276.75	3,509.05
Travelling, Conveyance and Motor Car Expenses	5,649.51	5,745.12
Legal and Professional Fees	1,282.68	959.35
Director's Sitting Fees	21.00	18.30
Postage, Telephone and Telex Expenses	111.16	148.61
Printing and Stationery Expenses	378.73	394.47
Payments to Auditors (refer note no. 35 (a))	13.89	10.47
Loss on sale of Assets	20.65	16.36
Provision for Doubtful Debts	550.70	297.34
Investments in subsidiaries / Associates Written off	29.02	—
Bad Debts written off		
Bad Debts written off	50.31	794.09
Less : Transfer from Provision for Doubtful Debts	—	(336.45 )
	50.31	457.64
Corporate Social Responsibility (refer note no. 35(b))	43.42	23.97
Miscellaneous Expenses	2,371.62	2,117.53
<b>Total, Other expenses</b>	<b>28,837.39</b>	<b>28,477.57</b>

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**Note 35 (a) : Details of payments to Auditors**

<i>Particulars</i>	<i>Apr'18-Mar'19</i>	<i>Apr'17-Mar'18</i>
<b>Payment to Auditors</b>		
<b>As Auditor :</b>		
Audit Fees	6.25	8.69
Fees for GST Audit	4.80	0.55
<b>In other capacities :</b>		
Company law matters	—	0.10
Certification fees	2.13	1.04
Re-imbursement of expenses	0.71	0.09
<b>Total, payment to Auditors</b>	<b>13.89</b>	<b>10.47</b>

**Note 35 (b) : Corporate social responsibility expenditure**

<i>Particulars</i>	<i>Apr'18-Mar'19</i>	<i>Apr'17-Mar'18</i>
<b>Contribution to :</b>		
Promoting Education	11.89	10.97
Preventive Healthcare	13.95	13.00
Promoting & Development of Traditional Arts	0.10	—
Employment enhancing vocational skills	17.48	—
<b>Total</b>	<b>43.42</b>	<b>23.97</b>
Amount required to be spent as per Section 135 of the Act *	160.00	225.00
Amount spent during the year on		
(i) Construction/acquisition of an asset	—	—
(ii) On purposes other than (i) above	43.42	23.97

**Note 36 : Finance Cost**

<i>Particulars</i>	<i>Apr'18-Mar'19</i>	<i>Apr'17-Mar'18</i>
Interest Expense	2,328.39	2,252.13
Other Financial charges	112.87	136.07
Exchange Gain / Loss (Net)	(55.19)	530.71
	<b>2,386.07</b>	<b>2,918.91</b>
Less : Amount capitalised (see note below)	(332.18)	(568.01)
<b>Total, Finance Cost expensed in Profit or Loss</b>	<b>2,053.89</b>	<b>2,350.90</b>

*Note : Finance Cost incurred on various projects being qualifying asset is capitalised in accordance with Ind AS 23.*

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**Note 37 : Income Tax expense**

Particulars	Apr'18-Mar'19	Apr'17-Mar'18
<b>(a) Income tax expense</b>		
Current Tax	—	1,107.39
Deferred tax	(748.26)	(992.81)
MAT Credit Adjustments	79.23	621.46
Total deferred tax expense/(benefit)	(669.03)	(371.35)
<b>Income tax expense</b>	<b>(669.03)</b>	<b>736.04</b>
Income tax expense is attributable to:		
Profit / (Loss) from continuing operations	(669.03)	736.04
Profit from discontinued operation	—	—
	<b>(669.03)</b>	<b>736.04</b>

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

Particulars	Apr'18-Mar'19	Apr'17-Mar'18
Profit / (Loss) from continuing operations before income tax expense	(931.22)	4,839.82
Profit from discontinuing operation before income tax expense	—	—
	(931.22)	4,839.82
<b>Tax at the Indian tax rate of 34.944% (2017-2018 – 34.608%)</b>	<b>(325.41)</b>	<b>1,674.96</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Deduction on R&D Expenditure u/s 35(2ab)	(834.17)	(862.95)
Effect of non-deductible expenses	—	(654.11)
Other items	(9.22)	(44.27)
Adjustments of MAT of Previous period	79.23	621.46
Tax losses for which no deferred income tax was recognised	420.54	0.95
	<b>(669.03)</b>	<b>736.04</b>

**Note 38 : Employee benefit obligations**

As required by IND AS 19 'Employee benefits' the disclosures are as under :

**(I) Defined benefit plans**

**a. Leave obligations**

The leave obligations cover the group's liability for sick and earned leave.

The amount of the provision of INR 191.52 lakhs (March 31, 2018 – INR 163.94 lakhs) is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months and therefore provision is made on the basis of actuarial valuation obtained.

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**Note 38 : Employee benefit obligations: Contd.**

**b. Post-employment obligations**

**i. Gratuity**

The group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the group makes contributions to recognised funds in India. The group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

**(II) Defined contribution plans**

**a. Provident Fund**

The group also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is INR 1,200.62 lakhs (March 31, 2018 – INR 1,134.68 lakhs).

**b. Superannuation**

The company contributed INR 69.31 lakhs (March 31, 2018 - INR 66.24 lakhs) to the superannuation plan. The same has been recognized in the Statement of profit and loss account under the head employee benefit expenses.

**Balance sheet amounts – Gratuity**

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows :

<i>Particulars</i>	<i>Present value of obligation</i>	<i>Fair value of plan assets</i>	<i>Net amount</i>
<b>April 1, 2017</b>	<b>1,409.46</b>	<b>(305.84)</b>	<b>1,103.62</b>
Current service cost	231.21	–	231.21
Past Service Cost	14.90	–	14.90
Interest expense/(income)	107.97	(23.43)	84.54
<b>Total amount recognised in profit or loss</b>	<b>354.08</b>	<b>(23.43)</b>	<b>330.65</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	–	14.53	14.53
(Gain)/loss from change in financial assumptions	(33.17)	–	(33.17)
Experience (gains)/losses	(16.62)	–	(16.62)
<b>Total amount recognised in other comprehensive income</b>	<b>(49.79)</b>	<b>14.53</b>	<b>(35.26)</b>
Employer contributions	–	(127.72)	(127.72)
Benefit payments	(172.52)	172.52	–
<b>March 31, 2018</b>	<b>1,541.23</b>	<b>(269.94)</b>	<b>1,271.29</b>

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**Note 38 : Employee benefit obligations: Contd.**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>April 1, 2018</b>	<b>1,541.23</b>	<b>(269.94)</b>	<b>1,271.29</b>
Current service cost	233.54	—	233.54
Past Service Cost	—	—	—
Interest expense/(income)	121.29	(21.24)	100.05
<b>Total amount recognised in profit or loss</b>	<b>354.83</b>	<b>(21.24)</b>	<b>333.59</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	—	14.48	14.48
(Gain)/loss from change in financial assumptions	15.77	—	15.77
Experience (gains)/losses	50.49	—	50.49
<b>Total amount recognised in other comprehensive income</b>	<b>66.26</b>	<b>14.48</b>	<b>80.74</b>
Employer contributions	—	(20.00)	(20.00)
Benefit payments	(176.04)	176.04	—
<b>March 31, 2019</b>	<b>1,786.28</b>	<b>(120.66)</b>	<b>1,665.62</b>

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	March 31, 2019	March 31, 2018
Present value of funded obligations	1,786.28	1,541.23
Fair value of plan assets	(120.66)	(269.94)
<b>Deficit of funded plan</b>	<b>1,665.62</b>	<b>1,271.29</b>
Unfunded plans	—	—
<b>Deficit of gratuity plan</b>	<b>1,665.62</b>	<b>1,271.29</b>

**(iv) Post-Employment benefits (gratuity)**

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	March 31, 2019	March 31, 2018
Discount rate	7.78%	7.87%
Attrition rate	2.00%	2.00%
Salary growth rate	5.00%	5.00%

**(v) Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Discount rate	1%	1%	—	—	162.89	143.06
Discount rate	-1%	-1%	192.07	169.16	—	—
Salary growth rate	1%	1%	195.58	172.41	—	—
Salary growth rate	-1%	-1%	—	—	168.33	147.94
Attrition rate	1%	1%	42.03	38.72	—	—
Attrition rate	-1%	-1%	—	—	48.75	45.09

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**Note 38 : Employee benefit obligations: Contd.**

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**(vi) The major categories of plans assets are as follows:**

Particulars	March 31, 2019	March 31, 2018
<b>Gratuity :</b>		
<b>Unquoted</b>		
Insurance fund	120.66	269.94
<b>Total</b>	<b>120.66</b>	<b>269.94</b>

**(vii) Maturity profile of projected benefit obligation (from fund) :**

Particulars	March 31, 2019	March 31, 2018
1st following year	146.78	98.83
2nd following year	62.64	77.99
3rd following year	144.31	92.16
4th following year	106.81	149.79
5th following year	121.90	94.99
Sum of years 6 to 10	689.04	560.57
Sum of years 11 and above	3,582.63	3,270.99

**Note 39 : Lease**

**Operating Lease**

The Group has not entered into non-cancellable operating lease.

**Finance Lease**

Particulars	March 31, 2019	March 31, 2018
Due within one year	3.59	9.91
Due in a period between one year and five years	14.37	39.63
Due after five years	262.16	824.94
<b>Total Finance Lease</b>	<b>280.12</b>	<b>874.48</b>



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**Note 40: Fair value measurement**

Financial instruments by category	March 31, 2019		March 31, 2018	
	FVPL	Amortised Cost	FVPL	Amortised Cost
<b>Financial Assets</b>				
Investments				
Equity instruments	2.10		2.10	
Trade receivables		19,583.72		20,950.59
Non Current Other Financial assets		507.55		1,603.32
Cash and cash equivalents		2,079.68		858.15
Bank balances other than cash and cash equivalents		1,546.33		332.22
Current Other Financial Assets		1,015.28		198.87
<b>Total Financial Assets</b>	<b>2.10</b>	<b>24,732.56</b>	<b>2.10</b>	<b>23,943.15</b>
<b>Financial Liabilities</b>				
Bank Borrowings		29,749.47		28,242.37
Non Current Other Financial Liabilities		731.95		711.49
Current Other Financial Liabilities		5,390.24		5,305.69
Trade Payables		17,072.27		14,954.97
<b>Total Financial Liabilities</b>	<b>–</b>	<b>52,943.93</b>	<b>–</b>	<b>49,214.52</b>

**Fair value hierarchy**

**Level 1 :** Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

**Level 2 :** The fair value of financial instruments that are not traded in an active market (like forward contract) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3 :** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities etc. included in level 3.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value	March 31, 2019			March 31, 2018		
	Level			Level		
	I	II	III	I	II	III
<b>Financial Assets</b>						
Investments						
Equity instruments	–	2.10	–	–	2.10	–
<b>Total Financial Assets</b>	<b>–</b>	<b>2.10</b>	<b>–</b>	<b>–</b>	<b>2.10</b>	<b>–</b>

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**Note 41 : Capital management**

**(a) Risk management**

The group's aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The group monitors capital on the basis of the following gearing ratio : Net debt (total borrowings net of cash and cash equivalents) divided by Total Equity.

The group's strategy is to maintain a gearing ratio within 50%. The gearing ratios were as follows:

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
Net Debt	<b>27,669.79</b>	27,384.23
Equity	<b>66,062.24</b>	67,498.19
<b>Net debt to equity ratio</b>	<b>41.9%</b>	<b>40.6%</b>

**(b) Dividends**

<i>Particulars</i>	<i>March 31, 2019</i>	<i>March 31, 2018</i>
<b>(i) Equity shares</b>		
Final dividend for the year ended March 31, 2018 of INR 1.00 (March 31, 2017 – INR 1.60) per fully paid share	<b>921.50</b>	1,474.42
<b>(ii) Dividends not recognised at the end of the reporting period</b>		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of INR 0.30 per fully paid equity share (March 31, 2018 – INR 1.00). This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	<b>276.45</b>	921.50

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**Note 42 : Segment Information**

**(a) Description of segments and principal activities**

The group has only one reporting segment of its business i.e. Pharmaceutical, wherein the group's strategic steering committee, consisting of the chief executive officer, the chief financial officer and the manager for corporate planning, examines the group's performance both from a product and geographic perspective.

The steering committee primarily uses a measure of adjusted earnings before other income, Finance cost, tax, depreciation and amortisation (EBIDTA, see below) to assess the performance of the operating segments. However, the steering committee also receives information about the segments' revenue and assets on a monthly basis.

**(b) Adjusted EBIDTA**

Adjusted EBIDTA excludes discontinued operations and the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as restructuring costs, impairments when the impairment is the result of an isolated, non-recurring event. It also excludes the effects of share-based payments and gains or losses on financial instruments.

Interest income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the group.

Particulars	March 31, 2019	March 31, 2018
<b>Total adjusted EBIDTA</b>	<b>7,664.93</b>	<b>13,493.49</b>

Adjusted EBIDTA reconciles to profit before income tax as follows:

Particulars	Note No	March 31, 2019	March 31, 2018
<b>Total adjusted EBIDTA</b>		<b>7,664.93</b>	<b>13,493.49</b>
Finance costs	36	2,053.89	2,350.90
Other Income	30	(614.61)	(468.59)
Depreciation and amortisation expense	34	7,156.87	6,771.36
<b>Profit before income tax from continuing operations</b>		<b>(931.22)</b>	<b>4,839.82</b>

**(c) Segment revenue**

The segment revenue is measured in the same way as in the statement of profit or loss.

**Geographical :**

Particulars	March 31, 2019			March 31, 2018		
	India	Outside India	Total	India	Outside India	Total
Revenue from External Customers	65,626.59	28,581.52	94,208.11	63,707.36	38,395.80	1,02,103.16
Non Current Assets (*)	66,870.59	–	66,870.59	64,714.24	–	64,714.24

**\* Excluding financial assets, deferred & current tax assets**

Product :	March 31, 2019	March 31, 2018
Revenue from Product	89,271.82	96,714.67
Revenue from Services	4,936.29	5,388.49
<b>Total, Revenue</b>	<b>94,208.11</b>	<b>1,02,103.16</b>

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**Note 43 : Additional information, as required under Schedule III to the Companies Act 2013, of enterprises consolidated as Subsidiary/Associates.**

Name of the entity in the Group	Net Assets, i.e. total assets minus total liabilities		Share in Profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
<b>Parent</b>								
Indoco Remedies Ltd.	100.07%	66,108.30	97.83%	(284.11)	100.00%	(52.53)	98.16%	(336.64)
<b>Subsidiaries</b>								
<b>Indian</b>								
Xtend Industrial Designers & Engineers Pvt. Ltd.	0.30%	195.82	2.17%	(6.31)	0.00%	—	1.84%	(6.31)
Inter Company Elimination and Consolidation Adjustment	-0.37%	(241.86)	0.00%	—	0.00%	—	0.00%	—
<b>Total</b>	<b>100.00%</b>	<b>66,062.26</b>	<b>100.00%</b>	<b>(290.42)</b>	<b>100.00%</b>	<b>(52.53)</b>	<b>100.00%</b>	<b>(342.95)</b>

**Note 44 : Events occurring after the reporting period**

**Other events**

Refer to note 41 for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting

**Note 45 : Earnings Per Share**

Particulars	Apr'18-Mar'19	Apr'17-Mar'18
Basic & Diluted Earnings Per Share		
<u>Total Operations</u>		
Net Profit / (Loss) for the year	(290.40)	4,116.10
Weighted average numbers of equity shares	9 21 50 355	9 21 50 355
<b>Basic &amp; Diluted Earnings Per Share (₹ 2/-)</b>	<b>(0.32)</b>	<b>4.47</b>

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**Note: 46 - FINANCIAL RISK MANAGEMENT**

**Financial risk management objectives and policies**

The Group financial risk management is an integral part of how to plan and execute its business strategies. The Group financial risk management policy is set by the Audit Committee of the Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Group manages market risk through a Finance department, which evaluates and exercises independent control over the entire process of market risk management. The Finance department recommend the risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

**Market Risk- Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Group position with regards to interest income and interest expenses and to manage the interest rate risk, finance department performs a comprehensive corporate interest rate risk management policy by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Group interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

**Exposure to interest rate risk**

<i>Particulars</i>	<i>As at March 31, 2019</i>	<i>As at March 31, 2018</i>
Short Term Borrowings	11,339.37	10,993.14
Long Term Borrowings	18,410.11	17,249.24
Total Borrowings	29,749.48	28,242.38
% of Borrowings out of above bearing variable rate of Interest	38.12%	38.92%

**Interest Rate Sensitivity**

**A change of 50 bps in interest rates would have following impact on profit before tax**

	<i>2018-19</i>	<i>2017-18</i>
50 BPS increase would decrease the profit before tax by	56.70	54.97
50 BPS decrease would (increase) the profit before tax by	(56.70)	(54.97)

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**Note: 46 - FINANCIAL RISK MANAGEMENT:** *Contd.*

**Market Risk- Foreign currency risk.**

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD, EURO, GBP and AUD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Group risk management policy is to hedge forecasted foreign currency sales for the subsequent 24 to 60 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge forecasted sales.

The Group also imports certain materials and Capital Goods which are denominated in USD, EURO, GBP, CHF, JPY, CNY which exposes the company to foreign currency risk to minimise the risk of imports, the group hedges imports upto 12 to 60 months in advance by entering into foreign exchange forward contracts.

The spot component of forward contracts is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points.

**Derivative instruments and unhedged foreign currency exposure**

**(a) Derivative outstanding as at the reporting date**

(Foreign currency In lakhs)

	As at March 31, 2019		As at March 31, 2018	
	Currency	Amount	Currency	Amount
Forward Contract to Sell USD	USD	84.09	USD	96.00
Forward Contract to Buy USD	USD	38.00	USD	26.70
Forward Contract to Sell EURO	EURO	51.09	EURO	119.50
Forward Contract to Sell GBP	GBP	83.40	GBP	144.65
Forward Contract to BUY GBP	GBP	—	GBP	1.00
Swaps				
FCNR ( B)	USD	46.71	USD	65.40
ECB	GBP	38.13	GBP	53.38
ECB	EURO	30.00	EURO	—

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

**(b) Particulars of foreign currency exposures as at the reporting date**

As at 31st March, 2019

(Foreign currency in lakhs)

Particulars	USD	EURO	GBP	AUD
Trade Receivables	101.33	45.06	43.64	0.98
Trade Payables	18.83	30.74	0.01	—
Loans Taken - Short Term & long Term	84.71	30.00	38.13	—
Cash & Bank Balances	3.46	0.90	1.00	—

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**Note: 46 - FINANCIAL RISK MANAGEMENT: Contd.**

As at 31st March, 2018

(Foreign currency in lakhs)

Particulars	USD	EURO	GBP	AUD
Trade Receivables	97.19	68.89	42.92	3.34
Trade Payables	13.15	33.08	0.04	–
Loans Taken - Short Term & long Term	108.10	–	54.38	–
Cash & Bank Balances	–	0.05	–	–

**(c) Foreign Currency Risk Sensitivity**

A change of 5% in Foreign currency would have following Impact on profit before tax

	2018-19		2017-18	
	5 % increase	5 % Decrease	5 % increase	5 % Decrease
USD	(3.18)	3.18	17.49	(17.49)
EURO	(17.31)	17.31	37.60	(37.60)
GBP	5.74	(5.74)	(292.30)	292.30
AUD	1.02	(1.02)	3.51	(3.51)
CHF	(0.03)	0.03	0.00	0.00
Increase / (Decrease) in profit or loss	(13.76)	13.76	(233.70)	233.70

**Credit risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counter party,
- Financial or economic conditions that are expected to cause a significant change to the counter party's ability to meet its obligations,
- Significant increase in credit risk on other financial instruments of the same counter party,
- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of Profit and Loss.

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2019**  
(All amounts in INR lakhs, unless otherwise stated)

**Note: 46 - FINANCIAL RISK MANAGEMENT: Contd.**

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

**Ageing of Account receivables**

	As at March 31, 2019	As at March 31, 2018
Not due	10,179.42	11,175.46
0-3 Months	3,364.89	3,327.35
3 - 6 Months	607.35	275.68
6 Months and above	6,378.29	6,567.63
<b>Total</b>	<b>20,529.95</b>	<b>21,346.12</b>

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

**Movement in provisions of doubtful debts**

	As at March 31, 2019	As at March 31, 2018
Opening Provision	395.53	434.64
Add :- Additional provision made	550.70	297.34
Less : - Provision written off	—	336.45
Less : - Provision reversed	—	—
Closing Provisions	946.23	395.53

**Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

**(i) Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	As at March 31, 2019	As at March 31, 2018
Floating Rate		
Expiring within one year (Cash Credit and other facilities)	11,644.03	14,086.00
Expiring beyond one year (bank loans)	—	—



**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2019**  
(All amounts in INR lakhs, unless otherwise stated)

**Note: 46 - FINANCIAL RISK MANAGEMENT: Contd.**

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR. The amount is arrived at based on the Sanctioned Limits by the Banks and the same is subject to change based on the Maximum Permissible Bank Finance (MPBF) and Drawing Power.

**(ii) Maturity patterns of Borrowings**

	As at March 31, 2019				As at March 31, 2018			
	0-1 Years	1-5 Years	> 5 years	Total	0-1 Years	1-5 Years	> 5 years	Total
<b>Long term borrowings</b> (Including current maturity of long term debt)	5,548.45	12,194.82	666.84	18,410.11	4,921.64	11,794.26	533.34	17,249.24
<b>Short term borrowings</b>	11,339.37	–	–	11,339.37	10,993.14	–	–	10,993.14
<b>Total</b>	16,887.82	12,194.82	666.84	29,749.48	15,914.78	11,794.26	533.34	28,242.38

**(iii) Maturity Patterns of other Financial Liabilities**

As at March 31, 2019	0-3 Months	3-6 Months	Beyond 6 Months	Total
Trade Payable	14,510.93	–	–	14,510.93
Trade Payable related to Capital goods	220.41	–	2,340.93	2,561.34
Other Financial liability (Current and Non Current)	6,745.75	1,236.79	3,684.06	11,666.60
<b>Total</b>	21,477.09	1,236.79	6,024.99	28,738.87

As at March 31, 2018	0-3 Months	3-6 Months	Beyond 6 Months	Total
Trade Payable	13,325.72	100.60	186.46	13,612.78
Payable related to Capital goods	97.27	32.31	1,212.61	1,342.19
Other Financial liability (Current and Non Current)	6,568.90	1,222.14	3,147.78	10,938.82
<b>Total</b>	19,991.89	1,355.05	4,546.85	25,893.79

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2019**  
(All amounts in INR lakhs, unless otherwise stated)

**Notes 47:**

Contingent Liabilities not provided for:

		<i>As at March 31, 2019</i>	<i>As at March 31, 2018</i>
A)	Matters under dispute		
i)	Sales Tax (₹ 406.51 lakhs has been paid under protest Previous year ₹ 309.65 lakhs) **	850.56	850.56
ii)	Excise / Service Tax ***	499.76	499.76
iii)	Income Tax *	9.12	9.54
B)	Bank Guarantees	224.40	202.79
C)	Letters of Credit	505.24	1,595.24
D)	Estimated amount of contracts remaining to be executed on Capital Account , net of advances of ₹ 120.26 lakhs (Previous year ₹ 1,731.96 lakhs )	422.99	2,110.43

**Legal Case –**

The Company had availed a factoring facility from a Bank who refused to pay the amount of USD 25,004 to the Company on failure of a Customer to pay for the same. The case is pending in the City Civil Court.

A CFA has filed a case against the company for recovery of the amount adjusted against credit note of ₹1.49 Lakhs the Company has disputed the Claim.

The company has filed a case against a stockiest under section 138 under Negotiable Instruments Act 1881 for cheque bounce of ₹ 2.23 Lakhs

**\* Income Tax demand comprises of**

- a) TDS of ₹ 9.12 Lakhs (Previous year – ₹ 9.54 Lakhs ) for Short Deduction appearing in traces.

**\*\* Sales Tax demand comprises of**

- a) ₹ 809.00 Lakhs (Previous year – ₹ 809.00 Lakhs) in respect of order from sales tax dept, Andhra Pradesh for classification dispute. The Company has filed an appeal before High Court which is yet to be heard.
- b) ₹ 20.21 Lakhs (Previous year – ₹ 20.21 Lakhs ) as the amount of demand raised by sales tax officer for Financial Year 2007-08 and 2009-10 on account of input credit of entry tax. Company has filed appeal before Commissioner.
- c) ₹ 21.35 Lakhs (Previous year – ₹ 21.35 Lakhs) in respect of order from sales tax dept, Seemandhra for classification dispute. The Company has preferred an appeal before High Court which is yet to be heard.

**\*\*\*Excise Duty /Service tax demand comprises of**

- a) Company appeal is pending before CESTAT for wrong availment of notification on exempted goods ₹ 0.66 Lakhs (Previous year – ₹ 0.66 Lakhs).
- b) Appeal pending before Dy Commissioner for classification dispute ₹ 5.04 Lakhs (Previous year – ₹ 5.04 Lakhs).
- c) CENVAT credit on input service ₹ 91.97 Lakhs (Previous year – ₹ 91.97 Lakhs), appeal pending before CESTAT.
- d) Company appeal is pending before Divisional Dy. Commissioner for wrong availment of CENVAT credit ₹ 0.79 Lakhs (Previous year – ₹ 0.79 Lakhs ).
- e) Central excise department is in appeal before Supreme Court for Differential duty on intermixture of vitamins / minerals amounting to ₹ 2.91 Lakhs (Previous year – ₹ 2.91 Lakhs).

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2019**  
(All amounts in INR lakhs, unless otherwise stated)

**Notes 47: Contd.**

- f) CENVAT credit on input service ₹ 247.21 Lakhs (Previous year – ₹ 247.21 Lakhs), appeal pending before Commissioner of Service Tax.
- g) Company appeal is pending before CESTAT for CENVAT credit availment on physician sample amounting to ₹ 0.20 Lakhs (Previous year – ₹ 0.20 Lakhs).
- h) Central excise department is in appeal at Supreme Court for valuation of physician sample ₹ 11.20 Lakhs (Previous year – ₹ 11.20 Lakhs).
- i) ₹ 139.78 Lakhs (Previous year – ₹ 139.78 Lakhs) pending before Commissioner of Central Excise Raigad Commissionerate for Exempted product- Allopurinol Value Based Duty Reversal.

**Note 48: Assets Pledged As Security**

**Assets Pledged As Security**

The carrying amount of assets pledged as security for current and non-current borrowings are:

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Current Assets</b>		
<b>Financial Assets</b>		
Floating Charge		
Receivables	19,583.72	20,950.59
Margin Money against L/c	1,353.67	1,282.98
<b>Non Financial Assets</b>		
Floating Charge		
Inventories	18,345.06	19,338.27
<b>Total Current Assets Pledged as security</b>	<b>39,282.45</b>	<b>41,571.84</b>
<b>Non Current Assets</b>		
First Charge		
Land & Building	4,931.87	3,569.89
Furniture, fittings and equipment	557.93	627.44
Plant and machinery	19,911.66	21,200.56
Others	2,545.62	2,914.43
<b>Total non-current assets Pledged as security</b>	<b>27,947.08</b>	<b>28,312.32</b>
<b>Total assets pledged as security</b>	<b>67,229.53</b>	<b>69,884.16</b>

\*The assets pledged does not include capital work in progress

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2019**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 49 :**

Related Party Disclosure as required by IND AS 24

**I. Related Parties**

(A)	Enterprises that control or are controlled by the reporting company:	
	Holding Companies	Not Applicable
	Subsidiary Company	Not Applicable
	Fellow Subsidiaries	Not Applicable
(B)	Associates and Joint Ventures of reporting company:	
	Associates	Not Applicable
	Joint Ventures	NIL
(C)	(i) Individuals owning and having control of the reporting company Mr. Suresh G Kare, Mrs. Aruna S Kare, Ms. Aditi Panandikar, Mrs. Madhura Ramani	
	(ii) Their relatives: Dr. Milind Panandikar, Mr. Ramnath Kare, Mrs. Sudha Pai, Mrs. Pratima Vaidya, Mrs. Amita Rajadhyaksha, Mrs. Meera Karnik, Ms. Mahika Panandikar, Mr. Rohan Ramani, Mr. Megh Panandikar	
(D)	(i) Key Management Personnel : Mr. Suresh G. Kare, Ms. Aditi Panandikar, Mr. Sundeep V Bambolkar	
	(ii) Their Relatives : Mrs. Aruna S Kare, Mrs. Madhura A Ramani, Mr. Ramnath Kare, Mrs. Sudha Pai, Dr. Milind Panandikar, Mrs. Neeta Bambolkar, Mr. Vasant Bambolcar, Ms. Manali Bambolkar, Mr. Paresh Bambolkar, Ms. Mahika Panandikar, Mr. Rohan Ramani, Mr. Megh Panandikar	
(E)	Enterprises controlled by key management personnel : SPA Holdings Pvt. Ltd., Shanteri Investments Pvt. Ltd., Indoco Capital Markets Ltd., A K Services, Suresh Kare Foundation ,Warren Generics s.r.o	

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2019**  
(All amounts in INR lakhs, unless otherwise stated)

**Notes 49:** *Contd.*

**II. Transactions in respect of which disclosures to be made**

(₹ in lakhs)

Particulars of transaction		Enterprises that control or are controlled by reporting company	Associates and Joint Ventures of reporting company	Individuals owning and having control over the reporting company and their relatives	Key Management personnel and their relatives	Enterprises controlled by key management personnel
		(A)	(B)	(C)	(D)	(E)
Purchases or sales of goods (finished or unfinished)		—	—	—	—	—
Purchases or sales of fixed assets		—	—	—	—	—
Rendering or receiving of services	C.Y.	—	—	—	—	100.47
	P.Y.	—	—	—	—	115.46
Agency arrangements	C.Y.	—	—	—	—	—
	P.Y.	—	—	—	—	—
Remuneration paid	C.Y.	—	—	—	510.71	—
	P.Y.	—	—	—	620.71	—
Transfer of research and development		—	—	—	—	—
License agreements	C.Y.	—	—	—	3.00	3.54
	P.Y.	—	—	—	3.00	42.51
Finance (including loans and equity contributions in cash or in kind)	C.Y.	—	—	—	—	0.70
	P.Y.	—	—	—	—	0.75
Guarantees and collaterals	C.Y.	—	—	—	—	—
	P.Y.	—	—	—	—	—
Management contracts including for deputation of employees		—	—	—	—	—
Receivable	C.Y.	—	—	—	—	—
	P.Y.	—	—	—	—	—
Payable	C.Y.	—	—	—	—	—
	P.Y.	—	—	—	—	—

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2019**  
(All amounts in INR lakhs, unless otherwise stated)

**Notes 49: Contd.**

Sr. No.	Particulars of Remuneration	Name of Executive Chairman / MD / JT. MD			Total Amount
		Mr. Suresh G Kare	Ms. Aditi Panandikar	Mr. Sundeev V Bambolkar	
1	Salary as per Provisions contained in Section 17 (1) of the Income tax Act ,1961	180.00	131.52	119.15	430.67
	Value of Perquisites under Section 17 (2) Income tax Act,1961	—	2.50*	2.50*	5.00*
	Profit in Lieu of Salary under Section 17 (3) Income tax Act,1961	—	—	—	—
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission / Incentive	—	—	—	—
5	Others , Please Specify – PF , SA	14.40	31.97	28.67	75.04
	Total (1+4)**	194.40	165.99	150.32	510.71
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)**				

\* Consists of Company contribution to Super Annuation Fund which is not considered while calculating the ceiling of Remuneration specified above under Section 198 of the Companies Act, 2013.

\*\* Members have by way of Postal Ballot, on March 7, 2019, passed a Special Resolution approving the payment of remuneration without restriction in case of no profit or inadequate profit.

**III. Transactions with related parties in ordinary course/ not in normal course/ not on an arm's length basis**

(₹ in lakhs)

Particulars of transaction		Enterprises that control or are controlled by reporting company	Associates and Joint Ventures of reporting company	Individuals owning and having control over the reporting company and their relatives	Key Management personnel and their relatives	Enterprises controlled by key management personnel
		(A)	(B)	(C)	(D)	(E)
(i) Transactions in the ordinary course	C.Y.	—	—	—	513.71	104.71
	P.Y	—	—	—	623.71	158.72
(ii) Transactions not in the normal course		—	—	—	—	—
(iii) Transactions not on an arm's length basis		—	—	—	—	—
(iv) Justification for (iii)		—	—	—	—	—

**Notes (Consolidated)**  
**on financial statements for the year ended March 31, 2019**  
 (All amounts in INR lakhs, unless otherwise stated)

**Note 50:**

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows:

(₹ in lakhs)

		2018 -19	2017 -18
A	Principal Amount Due Interest due on the above	18.38	99.26
B	Interest paid during the year beyond the appointed day	—	—
C	Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act	—	—
D	Amount of interest accrued and remaining unpaid at the end of the year.	—	—
E	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small Enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the ACT.	—	—

The above information regarding Micro Enterprises and small Enterprises has been determined on the basis of information available with the Company. No interest has been accrued on delayed payments, if any.

**Note 51:**

Previous year's figures have been regrouped and reclassified wherever necessary.

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

**Rahul Joglekar**  
*Partner*  
 M. No. 129389

**Aditi Panandikar**  
*Managing Director*  
 DIN : 00179113

**Mandar Borkar**  
*CFO*

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

**Jayshankar Menon**  
*Company Secretary*

Mumbai : May 29, 2019

## Notes



## CSR - BETTER LIVES FOR A BRIGHTER FUTURE

Giving back to the society, an equivalent of what one takes from it has always been the credence of Indoco and its founder, Late Mr. Govind Ramnath Kare. The Company has been actively contributing towards the benefit of the society and helps the underprivileged through its CSR initiative 'SUMATI SANGOPAN'. Indoco provides financial, as well as non-financial assistance by prudently selecting and executing the CSR projects across India and overseas in the areas of :



Indoco reaches out to the needy with significant focus on welfare of women, the aged and children. The Company strives to make a positive impact on the society's welfare, thereby creating better lives for a brighter future.

### IMA, Ponda

Indoco Sponsored a Ward on the Ground floor at IMA Ponda Dilasa Hospital for the terminally ill patients.



### Majalgaon Vikas Pratishthan

Donation of 77 bicycles to the needy girl students in Majalgaon, Beed district of Maharashtra through an NGO.

### Chetana Vikas Sangh, Kolhapur

Indoco Field staff with students of Chetana Apangmati Vikas Sanstha, Kolhapur.



### Guild of Services Bombay

Support for the well-being of the boys at the Institute.



## BUZZ @ INDOCO



80<sup>th</sup> Birthday Celebrations of Kare Sir



Foundation Day @ HO - 23<sup>rd</sup> August 2018



Winners of Cleanliness drive @ HO



Kare Sir felicitating Indoco employee on completion of 25 years of service



National Safety Week 2019



Dussehra 2018



Goa Plant III celebrating Grey Day during Navaratri



World Heart Day



Me2We @ Baddi



Christmas @ Indoco



Common Birthday Celebrations



Tree Plantation @ Waluj



Diwali 2018



Indoco Premier League - Goa



Winners of Me2We photo caption contest



## BUZZ @ INDOCO



CPhI Madrid 2018



Annual General Meeting 2018



MD Ms. Aditi Kare Panandikar & Jt. MD Mr. Sundeep V Bambolkar with Kenya Sales Team



Inauguration of New API Plant @ Patalganga



CFA Meet - East Zone



IDC 2018



Warren Press Conference on Oral Cancer Prevention



SYZGY 5



The New Field Force

### Safe Harbour

Statements made in this Annual Report describing the Company's objective, projections, estimates and expectations may be 'Forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied due to risks, uncertainties and inaccurate assumptions.



Think | Connect | Perform



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