CONCORD BIOTECH

Biotech for Mankind...








ANNUAL REPORT

2019-20

NOTICE

NOTICE IS HEREBY GIVEN THAT the 35th Annual General Meeting of **CONCORD BIOTECH LIMITED** will be held on Saturday, the 5th day of December, 2020 at the Registered Office of the Company at 1482-86, Trasad Road, Dholka, Dist. Ahmedabad- 382 225 at 11 a.m. to transact the following business:

Ordinary Business:

1. To receive, consider, approve and adopt the Audited Financial Statement including Consolidated Financial Statement for the financial year ended on 31st March, 2020 together with the Auditor and Directors' Report there on.

2. To declare dividend for the financial year 2019-20.

3. To appoint Mr. Ravi Kapoor (DIN: 00003847) who retires by rotation and being eligible offers himself as Director.

4. To appoint Mr. Rajiv Agarwal (DIN: 00379990) who retires by rotation and being eligible offers himself as Director.

Special Business

5. **To consider and if thought fit to pass the following Resolution, with or without modification as an Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force M/s. Dalwadi & Associates, Cost Accountants, be and is hereby appointed as Cost Auditor for the year ending on 31st March, 2021, at a remuneration of Rs. 1,75,000/- (Rupees One Lac Seventy-Five Thousand) plus applicable Goods and Service Tax, p.a. and reimbursement of all reasonable out of Pocket expenses incurred, if any.

   RESOLVED FURTHER THAT Mr. Sudhir Vaid, Managing Director and Mr. Ankur Vaid, Joint Managing Director and Mr. Prakash Sajnani, Company Secretary be and are hereby severally authorized to take all such steps as may be necessary to implement this resolution."

6. **To consider and if thought fit to pass the following Resolution, as an Ordinary Resolution.**

   "**RESOLVED THAT** pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, read with Schedule IV of the Companies Act, 2013 as amended from time to time, Mr. Anil Katyal (DIN 06828200), a Non-Executive Director of the Company, who was appointed as an Additional Independent Director by the Board of Directors on October 23, 2019 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and whose term of office expires at this Annual General Meeting and who is eligible for appointment as an Independent Director and has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and in respect of whom the Company has received recommendation from the Nomination and Remuneration Committee under Section 160(1) of the Companies Act, 2013 proposing his candidature for office of Director of the Company, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for five consecutive years i.e. up to October 22, 2024.

RESOLVED FURTHER THAT Mr. Sudhir Vaid, Managing Director and Mr. Ankur Vaid, Joint Managing Director and Mr. Prakash Sajnani, Company Secretary be and are hereby severally authorized to take all such steps including filing of necessary Form DIR-12 with the office of Registrar of Companies as may be necessary to implement this resolution."

7. **To consider and if thought fit to pass the following Resolution, as a Special Resolution.**

"**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013 ('the Act') read with Schedule IV of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable provisions of the Act [including any statutory modification(s) or re-enactment(s) thereof], Mr. Rajeev Agrawal (DIN: 00725108), who was appointed as an Independent Director of the Company at 29th Annual General Meeting of the Company and holds office up to July 6, 2019 and who being eligible for re-appointment as an Independent Director has given his a declaration that he meets the criteria for independence under Section 149(6) of the Act and in respect of whom the Company has received a recommendation from the Nomination and Remuneration Committee and notice in writing under Section 160(1) of the Companies Act, 2013 from a member proposing his candidature for office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term commencing from July 7, 2019 up to July 6, 2024.

RESOLVED FURTHER THAT Mr. Sudhir Vaid, Managing Director and Mr. Ankur Vaid, Joint Managing Director and Mr. Prakash Sajnani, Company Secretary be and are hereby severally authorized to take all such steps as may be necessary to implement this resolution."

By Order of the Board

(SUDHIR VAID)
DIN: 00055967
Chairman & Managing Director

Place: Ahmedabad
Date: 8th September, 2020

Registered Office:
1482-86, Trasad Road, Dholka,
Dist. Ahmedabad- 382 225

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

2. Explanatory Statement pursuant to provisions of Section 102 of the Companies Act, 2013, is attached to the notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO.5

The Board of Directors at its meeting held on 7th July, 2020, appointed M/s. Dalwadi & Associates, Cost Accountants, as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending on 31st March, 2021, at a remuneration amounting to Rs. 1,75,000/- (Rupees One Lac Seventy Five Thousand only) plus applicable Goods and Service Tax, p.a. and reimbursement of all reasonable out of Pocket expenses incurred, if any. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor shall be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for approving the Ordinary Resolution as set out in Item No. 5 for ratification by the shareholders at the ensuing Annual General Meeting of the Company.

None of the Directors, Key Managerial Personnel, relatives of Directors and Key Managerial Personnel of the Company is directly/ indirectly interested in the above resolution. The Board of Directors recommend the resolution for your approval.

ITEM NO.6

Members be informed that the Board of Directors of the Company had appointed Mr. Anil Katyal as an Additional Independent Director of the Company w.e.f. 23rd October, 2019 and whose term office expire at the ensuing Annual General Meeting.

Keeping in view his experience and knowledge and upon receipt of recommendation of Nomination and Remuneration Committee and upon receipt of notice in writing from a member under Section 160(1) of the Companies Act, 2013 proposing his candidature for the office of Director, the Board recommends the appointment of Mr. Anil Katyal as an Independent Director for a period of 5 (five) years from October 23, 2019 to October 22, 2024.

Mr. Anil Katyal, Non-Executive Director of the Company, has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, he fulfills the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act and also read with Companies (Appointment & Qualification of Directors) Rules, 2014, the appointment of Mr. Anil Katyal as an Independent Directors is now being placed before the Members for their approval.

A copy of the draft letter for appointment of the Independent Director setting out the terms and conditions of his appointment are available for inspection by the Shareholders through electronic mode at the Registered Office of the Company during the business hours (except on Saturdays and Sundays) and will also be kept available at the venue of the AGM till the conclusion of the AGM.

The Board recommends the resolution in relation to appointment of Mr. Anil Katyal as an Independent Director, for the approval by the shareholders of the Company.

None of the Directors (except Mr. Anil Katyal), Key Managerial Personnel, relatives of Directors and Key Managerial Personnel of the Company is directly/ indirectly interested in the above resolution.

ITEM NO. 7

Based on recommendation of Nomination and Remuneration Committee in terms of Section 160(1) of the Companies Act, 2013 proposing the candidature of Mr. Rajeev Agrawal for the office of Independent Director of the Company, the Board of Directors proposes the re-appointment of Mr. Rajeev Agrawal as Independent Director, not liable to retire by rotation, for a second term of five consecutive years from July 7, 2019 up to July 6, 2024 subject to approval of the Shareholders.

The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that it is desirable to continue to avail services from above mentioned Independent Director.

Mr. Rajeev Agrawal, Non-Executive Director of the Company, has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, he fulfills the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act and also read with Companies (Appointment & Qualification of Directors) Rules, 2014, the appointment of Mr. Rajeev Agrawal as an Independent Directors is now being placed before the Members for their approval.

A copy of the draft letter for re-appointment of the Independent Director setting out the terms and conditions of his re-appointment are available for inspection by the Shareholders through electronic mode at the Registered Office of the Company during the business hours (except on Saturdays and Sundays) and will also be kept available at the venue of the AGM till the conclusion of the AGM.

The Board of Directors recommend the special resolution for your approval.

None of the Directors, except Mr. Rajeev Agrawal or the Key Managerial Personnel of your Company and their relatives are directly or indirectly concerned or interested in this resolution.

In terms of the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India requires certain disclosures with respect to Directors seeking appointment/re-appointment at the ensuing Annual General Meeting which is mentioned below:.

Name of Director	Mr. Ravi Kapoor	Mr. Rajiv Agarwal	Mr. Anil Katyal	Mr. Rajeev Agrawal
DIN	00003847	00379990	06828200	00725108
Date of Birth	25/07/1963	28/03/1971	20/05/1955	27/02/1959
Age of Director	57	49	65	61
Date of Appointment/Re-appointment	15/12/2003	30/06/2008	23/10/2019	07/07/2014
Qualification	M.Com; LLB, FCS, CAIIB, PGDIPR,AMIMA	B.Tech Chemical Engg	M Sc and MBA	Chartered Accountant
Experience	26 Years	22 Years	35 Years	31 Years
Terms and Conditions of Appointment	N.A	N.A	N.A	N.A
Remuneration sought to be paid	NIL	NIL	NIL	NIL
Remuneration last drawn by such person (Sitting Fees)	80,000/-	40,000	20,000	20,000
Designation	Director	Director	Additional Director	Director
Disclosure of relationship of Directors with Manager and KMP of the Company	NIL	NIL	NIL	NIL
Names of other Companies in which person holds Directorship	9	8	1	17
Names of membership and Chairman of the committees of the other Companies	Chairman-Audit Committee-John Energy Limited	Member – CSR Committee & Strategy Committee – Aptech Ltd Member – Audit Committee – Alchemy Capital Management Pvt Ltd	NIL	NIL
Number of shares held in the Company	20000	11862	NIL	NIL
No. of Board Meetings attended during the year	4	4	1	2

By Order of the Board

Place: Ahmedabad
Date: 8th September, 2020

(SUDHIR VAID)
DIN: 00055967
Chairman & Managing Director

Registered Office:
1482-86, Trasad Road, Dholka,
Dist. Ahmedabad- 382 225

DIRECTORS' REPORT

TO THE MEMBERS:

The Directors have pleasure in presenting the 35th **Annual Report** together with Audited Statement of Accounts of the Company for the year ended 31st March, 2020.

1. **FINANCIAL RESULTS**

The financial results of the company for the year under review are as under:

Particulars	**2019-2020 (Rs.in Lacs)**	**2018-2019 (Rs.in Lacs)**
Revenue from Operation	51232.98	43601.15
Other Income	3136.67	1744.03
Share of Profit in Joint venture with Japan	14.96	0.00
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	23543.36	19792.13
Less: Depreciation/ Amortization/ Impairment	2124.58	1931.34
Profit /loss before Finance Costs, Exceptional items and Tax Expense	21418.78	17860.79
Less: Finance Costs	69.82	68.88
Profit /loss before Exceptional items and Tax Expense	21348.96	17791.91
Add/(less): Exceptional items	0.00	0.00
Profit /loss before Tax Expense	**21348.96**	**17791.91**
Less: Tax Expense: Current Deferred Short provision for tax of earlier years	 5447.00 (1000.19) 5.80	 5550.00 391.45 11.50
Profit /loss for the year (1)	**16896.35**	**11838.96**
Total Comprehensive Income/loss (2)	(31.82)	13.59
Total (1+2)	**16864.53**	**11852.55**
Balance of profit /loss for earlier years	67299.35	58485.14
Add: Profit for the Year	16896.35	11838.96
Add: Other Comprehensive Income	(31.82)	13.59
Add: Adjustment due to Ind AS 116 transition	(69.46)	0.00
Add: Deffered tax assets transition	17.48	0.00
Less: Transfer to Debenture Redemption Reserve	0.00	0.00
Less: Transfer to Reserves	0.00	0.00
Less: Dividend paid on Equity Shares	(6681.17)	(2520.30)

Less: Dividend paid on Preference Shares	0.00	0.00
Less: Dividend Distribution Tax	(1373.33)	(518.05)
Balance carried forward	**76057.40**	**67299.35**

2. DIVIDEND

The Board has recommended dividend of 60 % i.e. Rs. 6/- per share on the paid up equity capital of Company. The resultant dividend would result in total cash outflow of Rs. 570.63 Lacs. This is over and above the interim dividend of Rs. 39.25 (net of DDT) per share paid to the shareholders during the financial year.

3. RESERVES

The Board does not propose to carry any amount to the reserves.

4. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

Owing to Covid-19 situation there were some disturbances towards the end of financial year and also in the first quarter of financial year 2020-21. While the API division continued to show steady growth the formulation sale is also started to pick up. Registration and approvals in the international market have also started to come thus opening new opportunities for formulation business. The expansion of the API facilities has been delayed on account of Covid-19 situation and is now expected to be completed in the first quarter of 2021. Contribution from the said unit would help Company to meet the growing requirement of its API.

5. MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments have occurred between the end of financial year and date of the report, which could affect financial position of the Company.

6. INTERNAL CONTROL SYSTEM

Your Company has strong Internal Controls and Risk Assessment/ Management systems. These systems enable the Company to comply with Internal Company policies, procedures, standard guidelines and local laws to help protect company's Assets and Confidential information against financial losses and unauthorized use. Further, M/s. R. G. Shah & Co., Chartered Accountants, appointed as Internal Auditor of the Company and based on findings of Internal Audit Report, the Company further took action to strengthen control measures and M/s Manubhai & Shah LLP carries out management audit to ensure ongoing control and improvement of the systems.

7. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

As per the approval of the Board Company has acquired 50% stake in Concord Biotech Japan KK which is trading Company based out of Japan.

Pursuant to provisions of Section 129(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Concord Biotech Japan KK an associate Company, in Form AOC-1 is attached to the financial statements of the Company.

8. EXTRACT OF THE ANNUAL RETURN

As per the notification issued by MCA on 28th August 2020, Companies are now not required to attach the extract of the annual return with the Board's report in Form MGT-9 and only a web link of such annual return is required to be disclosed. The web link for the Annual Return is www.concordbiotech.com.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the year under review, the Company has not granted any Loans and Advances nor provided guarantee to anyone.

10. DIRECTORS

Mr. Ravi Kapoor and Mr. Rajiv Agarwal, Directors of the Company would retire by rotation, and being eligible, offer themselves for re-appointment.

On 23rd October, 2019, Mr. Anil Katyal was appointed as an Additional Non – Executive Independent Director. The Board has placed the said proposal of his appointment along with the proposal of reappointment of Mr. Rajeev Agarwal as an Independent Director for a second term of 5 consecutive years to the members for their approval at the ensuing Annual General Meeting of the Company.

All the Independent Directors have provided declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

11. NO. OF MEETINGS OF THE BOARD OF DIRECTORS

There were total four (4) meetings of the Board of Directors of the Company held during the financial year from April 01, 2019 to March 31, 2020 on following dates:

SR. NO.	DATE	SR. NO.	DATE
1	22.05.2019	3	23.10.2019
2	05.07.2019	4	05.02.2020

12. DEPOSITS

The Company has not accepted any deposits during the period under review and there are no outstanding deposits as on March 31, 2020. There have been no matured deposits remaining unpaid at the year-end.

13. PARTICULARS OF CONTRACTS OR ARRAGEMENTS WITH RELATED PARTIES

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including arms length transactions under third proviso thereto is annexed in **Annexure I.**

14. INFORMATION PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2013

a. Conservation of energy and technology absorption.

Information pursuant to clause (m) sub-section (3) of section 134 of The Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and forming part of this report are given in the **Annexure II**.

b. The details of foreign exchange earnings and outgo are annexed in **Annexure II.**

15. RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(c) of the Companies Act, 2013 the Directors confirm the following:

i. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

ii. Your Directors had selected such accounting policies and applied them consistently and made judgements 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 of the Company for that period.

iii. Your Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. Your Directors had prepared the attached Annual Accounts for the year ended March 31, 2020 on a going concern basis.

v. Your Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. RISK MANGEMENT POLICY

The Company has established a risk management policy which is reviewed by the Board periodically. There is a structure in place to identify and mitigate various identifiable risks faced by the Company from time to time. After assessment, controls are put in place to mitigate the same.

17. AUDIT COMMITTEE:

The audit committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013. The composition of audit committee is given below:

Name	Category
Mr. Amitabh Thakore	Independent, Non Executive - Chairman of the Committee
Dr. Amit Varma	Non -Executive Director – Member
Mr. Rajeev Agarwal	Independent, Non Executive – Member

18. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company has formed a Nomination and Remuneration Committee of Directors in line with the provisions of Section 178 of the Companies Act, 2013. The composition of committee is given below:

Name	Category
Mr. Amitabh Thakore	Independent, Non-Executive Chairman
Mr. Ankur Vaid	Promoter, Executive
Mr. Rajeev Agarwal	Independent, Non Executive
Dr. Amit Varma	Non Independent Non Executive

The Nomination and Remuneration Committee has formulated policy relating to the remuneration for the directors, KMPs and other employees and same is attached as **Annexure- III.**

19. CORPORATE SOCIAL RESPONSIBILITY:

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activity during the year are set out in **Annexure-IV** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the website of the Company.

22. SECRETARIAL AUDIT REPORT

Pursuant to Section 204 of the Act, the Secretarial Audit Report for the Financial Year ended 31st March, 2019 provided by Mr. Ashish Shah of M/s. Ashish Shah & Associates, Practicing Company Secretary is annexed herewith as **Annexure-V** to this Report.

23. AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, (Firm Registration No. 117365W) has been appointed in the Annual General Meeting of Financial Year 2018-19 for a term of 5 consecutive years from the Annual General Meeting of Financial Year 2018-19 till the conclusion of the Annual General Meeting for the Financial Year 2023-24.

24. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND SECRETARIAL AUDITOR

There are no qualifications or comments by the statutory auditors and secretarial auditors which require explanation from the Directors.

25. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE.

There are no material orders passed by the Regulators, Courts, and tribunals impacting going concern status and the Company's operations in future.

26. VIGIL MECHANISM:

The Company has not established a vigil mechanism regarding the concerns or grievances of the directors and employees, since the provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company.

27. MAINTENANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SUB SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013 AND STATUS OF THE SAME:

M/s. Dalwadi & Associates, Cost Accountants have been duly reappointed as Cost Auditors of the Company for the financial year 2019-20. The cost records as specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 are made and maintained by the Company.

28. CONSTITUTION OF INTERNAL COMPLAINTS COMMITTEE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Company has established an Internal Complaint Committee under the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, there were no incidences of sexual harassment reported.

29. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHAR THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:

No frauds have been noticed or reported during the year under audit report which are reportable to the Central Government.

30. HUMAN RESOURCES

The employees have played a major role in the performance of the Company over the years. They will continue to be the Company's pillars of strength in the years to come as proper training and exposure to the new products will be forthcoming. Industrial relations in the Company were amicable throughout the year under review.

31. ACKNOWLEDGEMENT

The Directors wish to express their gratitude towards the Bankers of the Company for the cooperation provided by them throughout the year. The Directors also place on record the trust put in by the members in the management of the Company. Your Directors are also grateful to all the agencies, customers, suppliers and all other concerned persons, who have cooperated in the business of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE: AHMEDABAD	**Sudhir Vaid**	Ankur Vaid **Ankur Vaid**
DATE: 8th September, 2020	**MANAGING DIRECTOR**	**JOINT MANAGING DIRECTOR**
	DIN-00055967	**DIN-01857225**

Annexure-I
Form No. AOC-2
(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and* Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

Name of Related Party	Nature of Relation ship	Nature of Contract / Arrangem ents / Transactio ns	Duration of Contracts / Arrangeme nts / Transaction s	Salient Terms of the Contracts / Arrangemen ts / Transactions	Justifi cation of enteri ng	Date of Appro val by Board	Amount paid in Advanc e	Date on which Special Resolution was passed in general meeting U/S 188
				NIL				

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

Rs. in Lakhs

Name of Related Party	**Nature of Relationship**	**Nature of Contract / Arrangements / Transactions**	**Duration of Contracts / Arrangements / Transactions**	**Salient Terms of the Contracts / Arrangements / Transactions**	**Transactions Value**	**Date of Approval by Board**	**Amount paid in Advance**
Mr. Sudhir Vaid	Chairman and Managing Director	Lease Agreement	3 Years	Lease Office at Mondeal Heights	Lease rent of Rs. 99.25 lakhs p.a.	31/01/17	Nil
Mrs. Manju Vaid	Wife of Chairman & MD	Lease Agreement	3 Years	Lease Office at Mondeal Heights	Lease rent of Rs. 31.84 lakhs p.a.	31/01/17	Nil
Col. S.K. Vaid	Brother of MD	Service Contract	1 Year	Providing of professional Services	Increase in service charges from 2.28 lakhs p.m. to 2.62 lakhs p.m	05/07/19	NIL
Mrs. Megha Vaid	Wife of Joint MD	Increase in Remuneration	N.A.	Periodical review by board	Increase in monthly Remuneration from Rs.2.46 to Rs.2.95 lakhs p.m.	05/07/19	NIL
Mrs. Sonal Kumra	Daughter of MD	Increase in remuneration	N.A.	Periodical review by board	Increase in monthly Remunera	05/07/19	NIL

					tion from Rs.2.18 to Rs. 3 lakhs p.m.		

For and on behalf of the Board of Directors of
Concord Biotech Limited

DATE: 8th September, 2020
PLACE: Ahmedabad

Sudhir Vaid
Managing Director
DIN-00055967

Ankur Vaid
Joint Managing Director
DIN-01857225

ANNEXURE - II

PARTICULARS REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

A. PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

a. **The Steps taken or impact on conservation of energy:-**

The Company attaches a great deal of importance to energy conservation. Efforts to conserve Energy continued during the year through timely preventive maintenance and inspection of major plant and machinery and replacement of equipment are carried out wherever necessiated.

b. **The steps taken by the Company for utilizing alternate sources of energy**

Company at present does not intend to use any alternate source of energy.

c. **The Capital investment on energy conservation equipments**

No Capital investments are planned at this stage.

B. TECHNOLOGY ABSORPTION

i. **Efforts made towards technology absorption:**

We have state of the art R & D facilities and developments are carried out to adopt and upgrade new developments.

ii. **The benefits derived like product improvement, cost reduction, product development or import substitution**

At Concord, product improvement and cost reduction is a ongoing process. Company though imports some raw materials it is not totally dependent on such imported materials.

iii. **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –**

(a) The details of technology imported : Technology for veterinary and oncology product

(b) The year of import : 2016-17

(c) Whether the technology been fully absorbed :
Yes

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof

iv. **The expenditure incurred on Research and Development**

Company has incurred Revenue Expenditure of Rs. 1777.65 lacs and Capital Expenditure of Rs. 190.07 lacs during the current year on Research and Development.

C. **FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Total earnings in foreign exchange for the year ended 31st March, 2020 were Rs. 25075.51 Lacs and the total outflow was Rs. 12451.82 Lacs.

For and on behalf of the Board of Directors of Concord Biotech Limited

	Sudhir Vaid	**Ankur Vaid**
DATE: 8th September, 2020	**Managing Director**	**Joint Managing Director**
PLACE: Ahmedabad	**DIN-00055967**	**DIN-01857225**

ANNEXURE III

POLICY ON REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL ("KMP") AND OTHER EMPLOYEES

Preamble

This Policy on Remuneration of Directors, Key Managerial Personnel ("KMP") and Other Employees (hereinafter referred as the "Policy") of Concord Biotech Limited ("the Company") is designed and formulated by the Nomination and Remuneration Committee ("the Committee") of the Company pursuant to the Companies Act, 2013 (the "Act") and rules made thereunder. In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the Company shall abide by the applicable law.

The Policy lays down the criteria with regard to remuneration of Directors, KMP and other employees.

A. Guiding Principles for remuneration: The Company shall remunerate all its personnel reasonably and sufficiently as per industry benchmarks and standards. The remuneration shall be commensurate with their contributions and shall be sufficient enough to retain and motivate the human resources of the Company. The compensation package will, inter alia, take into account the experience of the personnel, the knowledge and skill required including complexity of the job, work duration and risks associated with the work, and attitude of the worker like positive outlook, team work, loyalty, past remuneration, past performance etc.

   The level and components of the remuneration shall be such so as to align with the long term interest of the company and its shareholders.

B. Components of Remuneration:

   The following will be the various remuneration components which may be paid to the personnel of the Company based on the designation and class of the personnel.

   a. Fixed compensation: The fixed salaries of the Company's personnel shall be competitive and based on the individual personnel's responsibilities and performance.
   b. Variable compensation: The personnel of the Company may be paid remuneration by way of variable salaries based on their performance evaluation. Such variable salaries should be based on the performance of the individual against his short and long term performance objectives and the performance of the Company.
   c. Share based payments: The Board of Directors may, on the recommendation of the Nomination and Remuneration Committee, issue to certain class of personnel a share and share price related incentive program.
   d. Non-monetary benefits: Senior management personnel of the Company may, on a case to case basis, be awarded customary non-monetary benefits such as discounted salary advance /credit facility, rent free accommodation, Company cars with or without chauffer's, share and share price related incentive, reimbursement of electricity and telephone bills etc.
   e. Commission: The directors may be paid commission if approved by the shareholders. The shareholders may authorise the Board to declare commission to be paid to any director of the Board.

f. Retirement benefits: The Company shall provide retirement benefits applicable in accordance with law.

g. Sitting Fee and Commission: The Company may pay sitting fee for attending Board and Committee meeting and commission to the Directors of the Company in compliance with law.

h. Loan/ advances to the Employees: The Company may give loan or advances to the employees in accordance with the provisions of the Companies Act, 2013 and the terms and conditions of the Loan Policy of the Company, as approved by the Board or any Committees thereof, from time to time.

C. Entitlement: The authority to determine the entitlement to various components as aforesaid for each class and designation of personnel shall be as follows:

Designation / Class	To be determined by
Managing Director/ Whole Time Director	The remuneration for the Managing Director/ Whole-time Director is as per the agreement approved by the shareholders on recommendation of the Board of Directors. In case of any change, the same would require the approval of the shareholders on recommendation of the Board of Directors and other applicable compliances required by laws.
Independent Directors*	Board of Directors / Executive Committee
Other Directors	Board of Directors
Senior Management	Recommendation of the Nomination and Remuneration Committee and approval of Board of Directors
Recommendation of the Nomination and Remuneration Committee and approval of Board of Directors	Departmental Heads in consultation with Human Resources Head

*Sitting fee payable to the directors shall be in accordance with the provisions of the law.

D. Amendment: The Remuneration policy may be reviewed by the Board of the Company on the recommendation of the Nomination & Remuneration Committee of the Board.

For and on behalf of the Board of Directors of Concord Biotech Limited

Sudhir Vaid
Managing Director
DIN-00055967

Ankur Vaid
Joint Managing Director
DIN-01857225

DATE: 8th September, 2020
PLACE: Ahmedabad

Annexure-IV
ANNUAL REPORT ON CSR ACTIVITIES

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

   The CSR policy of the Company is available on the Company's website www.concordbiotech.com. The focus areas for CSR activities will be Education, Healthcare, contribution to technology incubator and such other activities as CSR Committee or Board may consider appropriate.

2. The Composition of the CSR Committee :

   The CSR Committee of the Company comprises of following directors.

   (1) Mr. Ankur Vaid, Chairman
   (2) Dr. Amit Varma
   (3) Mr. Rajiv Agarwal
   (4) Ms. Bharti Khanna

3. Average net profit of the company for last three financial years

   Average net profit of the Company for last three financial years is Rs. 14994.96 lakhs.

4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)
   CSR expenditure is Rs. 299.90 lakhs (2% of Rs. 14994.96 lakhs)

5. Details of CSR spent during the financial year.
   (a) Total amount spent during the financial year: Rs. 286.55 lakhs
   (b) Amount unspent , if any; : Rs. 13.35 lakhs
   (c) Manner in which the amount spent during the financial year is detailed below

(Rs. In Lakhs)

Sr. No.	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programmes 1.Local area/other 2. Specify the state and district where project or programs was undertaken	Amount outlay (budget) project/ programs wise	Amount spent on the project/ programs Subheads: 1.Direct expenditure on project or programs 2.Overheads	Cumulative Expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency
1	Medical	Medical	Across India	Rs. 60.64	Rs. 67.77	Rs. 67.77	Direct
2	Educational	Education	Local Area (Gujarat)	Rs. 25.32	Rs. 41.37	Rs. 109.14	Direct
3	Environment sustainability	Environmental	Across India	Rs. 7.00	Rs. 12.98	Rs. 122.12	Direct
4	Others (misc)	Misc	Across India	Rs. 17.00	Rs. 150.80	Rs. 272.92	Direct
5	Admin overheads	Overheads	Local Area (Gujarat)	Rs. 13.63	Rs. 13.63	Rs. 286.55	Overheads

- Give details of implementing agency : Not applicable

6. 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 :

On recommendation of CSR committee, Company has continued its spending in healthcare projects, education projects and environment sustainability, however there was a small shortfall in the amount to be spent which was on account of delay in implementation of new project in two villages for education support.

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

   The CSR Committee confirms that CSR Committee is responsible for monitoring process of the CSR activities and the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Place: Ahmedabad
Date: 8th September, 2020

Sudhir Vaid
Managing Director
DIN-00055967

Ankur Vaid
Chairman of CSR Committee
DIN-01857225

Ashish Shah & Associates
COMPANY SECRETARY
4th Floor, Shaival Plaza,
Near Gujarat College,
Ellisbridge,
AHMEDABAD-380006
Tel. : 079-26420336/7/9
Fax : 079-26424100
Mobile : 9825940391
E-mail : ashish@ravics.com

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2020

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

To,
The Members,
Concord Biotech Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Concord Biotech Limited (herein after referred to as "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Concord Biotech Limited 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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

(i) The Companies Act, 2013 (the Act) and the rules made there under;

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

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

Ashish Shah & Associates
COP No. 4178
Company Secretaries

Ashish Shah & Associates
COMPANY SECRETARY

4th Floor, Shaival Plaza,
Near Gujarat College,
Ellisbridge,
AHMEDABAD-380006
Tel. : 079-26420336/7/9
Fax : 079-26424100
Mobile : 9825940391
E-mail : ashish@ravics.com

(iv)Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) Since the Company is not listed on the stock exchange and does not intent to get its shares listed on the Stock Exchange the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company

(vi) Drugs and Cosmetics Act, 1940 and rules framed there under.

Since Company is not listed on the stock exchange, provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is not applicable. We have examined compliance with applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India for holding Board and General meeting.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors 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.

All decisions at Board Meetings and Committee Meetings were carried out unanimously. As per records available in the said minutes there were no dissenting views expressed by any directors during the meetings.

We 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.

Ashish Shah & Associates
COP No.
4178
Company Secretaries

Ashish Shah & Associates

COMPANY SECRETARY

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Near Gujarat College,
Ellisbridge,
AHMEDABAD-380006
Tel. : 079-26420336/7/9
Fax : 079-26424100
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E-mail : ashish@ravics.com

We further report that during the audit period the company there are no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

***Place*: Ahmedabad**
***Date*: 8th September, 2020**

For, Ashish Shah & Associates

Ashish Shah
Company Secretary in practice
FCS No. 5974
C P No.: 4178
UDIN: F005974B000691582

This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

Ashish Shah & Associates
COP No.
4178
Company Secretaries

Ashish Shah & Associates
COMPANY SECRETARY

4th Floor, Shaival Plaza,
Near Gujarat College,
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AHMEDABAD-380006
Tel. : 079-26420336/7/9
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Annexure-A

To,
The Members,
Concord Biotech 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 process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process 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 is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

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

Place: **Ahmedabad**
Date: **8th September, 2020**

For, Ashish Shah & Associates

Ashish Shah & Associates
COP No. 4178
Company Secretaries

Ashish Shah
Company Secretary in practice
FCS No. 5974
C P No.: 4178
UDIN: F005974B000691582

Deloitte Haskins & Sells

Chartered Accountants
19th Floor, Shapath - V
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Ahmedabad - 380 015
Gujarat, India

Tel: +91 79 6682 7300
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INDEPENDENT AUDITOR'S REPORT

To The Members of Concord Biotech Limited
Report on the Audit of the Standalone Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31st March 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

- The Company's Board of Directors is responsible for 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, but does not include the Standalone financial statements and our auditor's report there on.

- 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 on the other information that we obtained prior to the date of this auditor's report, 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.

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Deloitte
Haskins & Sells

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

In preparing the standalone financial statements, 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 Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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.

Other Matters

Due to COVID-19 related lockdown we were not able to physically observe the physical verification of inventory that was carried out by the management subsequent to the year end. Consequently, we have performed alternate procedures to audit the existence and condition of inventory as per the guidance provided in SA 501 "Audit evidence – Specific consideration for selected items" which includes inspection of supporting documentation relating to purchases, production, sales, results of count performed by the Management through the year, and such other third party evidences where applicable and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Financial Statements. Our report is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with

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by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended. 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.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

DELOITTE HASKINS & SELLS AHMEDABAD CHARTERED ACCOUNTANTS

Kartikeya Raval

Kartikeya Raval
Partner
(Membership No. 106189)

(UDIN: 20106189AAAAKL7167)

Place: Ahmedabad
Date: 26th October, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 Concord Biotech Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date which includes internal financial controls over financial reporting of the Company.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the 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 the Institute of Chartered Accountants of India 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

DELOITTE HASKINS & SELLS
AHMEDABAD
CHARTERED ACCOUNTANTS

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, to the best of our information and according to the explanations given to us, 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 31st March, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

DELOITTE HASKINS & SELLS
AHMEDABAD
CHARTERED ACCOUNTANTS

Kartikeya Raval

Kartikeya Raval
Partner
(Membership No. 106189)

(UDIN: 20106189AAAAKL7167)

Place: Ahmedabad
Date: 26th October, 2020

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its Property, Plant and Equipment:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(b) The Property, Plant and Equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings, whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations received by us from lenders.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification. The physical verification of inventories lying with third parties or goods-in-transit is performed by performing alternate procedures such as obtaining confirmations.

(iii) According to the information and explanations given to us, the Company has not granted loan, secured or unsecured, to company covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) According to the information and explanations given to us, the Company has complied with provisions of section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1)

DELOITTE HASKINS & SELLS ★ AHMEDABAD ★ CHARTERED ACCOUNTANTS

of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie,* the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods & Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods & Service Tax, cess and other material statutory dues in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable.

(c) Details of dues of Excise duty have not been deposited as on 31st March, 2020 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. In lacs)	Amount Unpaid (Rs. in lacs)
The Income tax Act, 1961	Income tax	The Commissioner of Income tax (Appeals)	A.Y. 2016-17	9.43	-
The Central Excise Act, 1944	Excise duty	The Commissioner of Central Excise (Appeals)	From January, 2015 to June, 2017	379.37	379.37

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loan or borrowings to banks. The Company has not taken any loan from government. The Company has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Monies raised by way of or term loans have been applied by the Company during the year for the purposes for which they were raised other than temporary deployment pending application of proceeds.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

DELOITTE HASKINS & SELLS AHMEDABAD CHARTERED ACCOUNTANTS

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365 W)

Kartikeya Raval

DELOITTE HASKINS & SELLS
AHMEDABAD
CHARTERED ACCOUNTANTS

Kartikeya Raval
(Partner)
(Membership No. 106189)

(UDIN: 20106189AAAAKL7167)

Place: Ahmedabad
Date: 26th October, 2020

Concord Biotech Limited

Standalone Balance sheet as at 31st March, 2020

(Amount Rs. in lacs)

Particulars	Notes	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	5	23,631.30	22,949.88
(b) Capital work-in-progress	5	14,140.48	1,899.19
(c) Intangible assets	6	9.26	20.20
(d) Right-of use assets	7	319.54	-
(d) Financial assets			
(i) Investments			
(a) Investment in joint venture accounted using Equity method	8	66.52	-
(ii) Other financial assets	9	540.96	86.57
(e) Other non-current assets	10	1,470.03	1,020.86
(f) Non-Current tax assets (Net)		-	363.00
Total non-current assets (A)		**40,178.09**	**26,339.70**
II.Current assets			
(a) Inventories	11	11,123.16	9,171.74
(b) Financial assets			
(i) Investments	8	19,810.56	22,933.49
(ii) Trade receivables	12	18,350.50	15,860.78
(iii) Cash and cash equivalents	13	240.86	375.95
(iv) Other Bank balances	13	17.81	6.31
(v) Others	14	1,074.99	886.43
(c) Other current assets	15	3,261.57	755.22
Total current assets (B)		**53,879.45**	**49,989.93**
TOTAL ASSETS (A) + (B)		**94,057.54**	**76,329.62**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	951.06	951.06
(b) Other equity	17	76,057.40	67,299.35
Total equity (A)		**77,008.46**	**68,250.41**
LIABILITIES			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	3,552.84	-
(ii) Leased Liabilities	7	293.45	-
(b) Long term provisions	19	159.40	118.55
(c) Deferred tax liabilities (net)	20 (b)	1,512.83	2,541.15
Total non-current liabilities (B)		**5,518.52**	**2,659.70**
II.Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	-	-
(ii) Trade payables:	21		
Due to micro and small enterprise		666.92	26.90
Due to other than micro and small enterprise		6,477.42	3,287.60
(iii) Leased liabilities	7	109.13	-
(iv) Other financial liabilities	22	1,979.29	1,935.85
(b) Short term provisions	19	28.40	12.28
(c) Other current liabilities	23	2,089.95	156.89
(d) Liabilities for current tax (net)		179.45	-
Total current liabilities (C)		**11,530.56**	**5,419.52**
TOTAL EQUITY AND LIABILITIES (A) + (B) + (C)		**94,057.54**	**76,329.62**

See accompanying Notes forming part of the Standalone Financial Statements 1 to 44

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval

KARTIKEYA RAVAL
Partner

PLACE : AHMEDABAD
DATE : 26th October,2020

DELOITTE HASKINS & SELLS AHMEDABAD CHARTERED ACCOUNTANTS

For and on behalf of board of directors of Concord Biotech Limited

Sudhir Vaid [Din no: 00055967]
Chairman & Managing Director

Ankur Vaid [Din No : 01857225]
Joint Managing Director & CEO

Prakash Sajnani
Sr.GM-Finance & Company Secretary

PLACE : AHMEDABAD
DATE : 8th September,2020

Concord Biotech Limited

Standalone Statement of Profit and loss for the year ended 31st March, 2020

(Amount Rs. in lacs)

Particulars	Notes	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
INCOME			
Revenue from operations	24	51,232.98	43,601.15
Other income	25	3,136.67	1,744.03
Total Income		**54,369.65**	**45,345.18**
EXPENSES			
Cost of materials consumed	26	12,401.03	10,068.40
Purchases of stock-in-trade		1,077.87	848.61
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(485.13)	(115.53)
Employee benefits expense	28	6,224.39	5,182.48
Finance costs	29	69.82	68.88
Depreciation and amortization expense	30	2,124.58	1,931.34
Other expenses	31	11,608.13	9,569.09
Total Expenses		**33,020.69**	**27,553.27**
PROFIT BEFORE TAX		21,348.96	17,791.91
TAX EXPENSE			
Current tax	20	5,447.00	5,550.00
Deferred tax	20	(1,000.19)	391.45
Short provision for tax of earlier years		5.80	11.50
		4,452.61	**5,952.95**
PROFIT FOR THE YEAR		**16,896.35**	**11,838.96**
Other Comprehensive income, net of taxes			
Items that will not be reclassified to the statement of Profit or Loss			
Re-measurement gains on defined benefit plans		(42.52)	20.89
Income tax relating to Items that will not be reclassified to Profit and Loss			
Re-measurement gains on defined benefit plans		10.70	(7.30)
OTHER COMPREHENSIVE INCOME FOR THE YEAR		**(31.82)**	**13.59**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**16,864.53**	**11,852.55**
Earnings per share (Nominal value per equity share of Rs. 10 each)			
Basic and diluted (Refer note 32)		177.66	124.48
See accompanying Notes forming part of the Standalone Financial Statements	1 to 44		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval

KARTIKEYA RAVAL
Partner

PLACE : AHMEDABAD
DATE : 26th October,2020

DELOITTE HASKINS & SELLS AHMEDABAD CHARTERED ACCOUNTANTS

For and on behalf of board of directors of Concord Biotech Limited

Sudhir Vaid [Din no: 00055967]
Chairman & Managing Director

Ankur Vaid

Ankur Vaid [Din No : 01857225]
Joint Managing Director & CEO

Prakash Lalchand

Prakash Sajnani
Sr. GM-Finance & Company Secretary

PLACE : AHMEDABAD
DATE : 8th September,2020

Concord Biotech Limited

Standalone Cash Flow Statement for the Year ended 31st March, 2020

(Amount Rs. in lacs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax as per Statement of Profit and Loss	21,348.96	17,791.91
Adjustment to reconcile Profit before tax to net cash flows:		
Provision for Doubtful Debts (Net)	44.64	58.76
Bad Debt Written Off	17.43	0.05
Interest Income	(7.60)	(4.22)
Provisions no longer required written back	(8.71)	(44.27)
Depreciation and amortization	2,124.58	1,931.34
Net Unrealized exchange gain	292.88	87.60
Finance Cost	69.82	68.88
Profit on sale of fixed asset (Net)	(5.21)	(0.53)
Profit on sale of current investment	(2,340.07)	(228.88)
(Gain) / loss on fair value of current Investment	1,098.54	(1,083.77)
Mark to Market Gain	(59.65)	(21.74)
Operating Profit before Working Capital Changes	**22,575.60**	**18,555.13**
Working Capital Changes:		
(Increase)/Decrease in other non current financial assets	(738.73)	(28.72)
(Increase)/Decrease in Inventories	(1,951.42)	(2,026.58)
(Increase)/Decrease in trade receivables	(2,953.66)	5,976.39
(Increase)/Decrease in other current financial assets	(125.39)	54.48
(Increase)/Decrease in other current assets	(2,506.34)	(241.41)
	(8,275.54)	**3,734.16**
Adjustments for Increase/(Decrease) in operating liabilities		
Increase/(Decrease) in provisions	14.45	39.60
Increase/(Decrease) in trade payables	3,947.55	(563.39)
Increase/(Decrease) in other current liabilities	2,042.18	(256.55)
(Increase)/Decrease in other financial liabilities	100.34	353.16
	6,104.53	**(427.18)**
Cash generated from operations	**20,404.59**	**21,862.11**
Direct Taxes paid (Net of Income Tax refund)	(4,910.32)	(5,571.70)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**15,494.27**	**16,290.41**
Purchase of tangible and intangible assets	(15,650.19)	(5,164.49)
Proceeds from disposal of tangible and intangible assets	17.03	12.00
Purchase of Current Investment	(47,998.19)	(39,547.27)
Proceeds from Sale of Current Investment	52,362.65	33,029.71
Interest received	4.08	3.65
Purchase of Non Current Investment	(66.52)	-
Proceeds from Sale of Non-Current Investment	-	3.20
Net Cashflow from Deposits (Other bank Balances)	(46.69)	31.44
NET CASH USED IN INVESTING ACTIVITIES (B)	**(11,377.83)**	**(11,631.76)**

DELOITTE HASKINS & SELLS ★ AHMEDABAD ★ CHARTERED ACCOUNTANTS

Concord Biotech Limited A'BAD

Concord Biotech Limited
Standalone Cash Flow Statement for the Year ended 31st March, 2020

(Amount Rs. in lacs)

Repayment of Long Term borrowings	(922.07)	(881.06)
Proceeds of Long Term borrowings	4,802.84	-
Repayment of Short Term borrowings	-	(459.27)
Dividend Paid (Including Tax on Proposed Dividends)	(8,054.50)	(3,038.35)
Finance Cost Paid	(29.04)	(73.36)
Repayment towards Lease Liabilities	(48.76)	-
NET CASH (USED IN) FINANCING ACTIVITIES (C)	**(4,251.53)**	**(4,452.04)**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	**(135.09)**	**206.61**
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**375.95**	**169.34**
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**240.86**	**375.95**

Reconciliation of Cash and cash equivalents with the Balance Sheet

Particulars	**As at 31st March,2020**	**As at 31st March,2019**
Cash and Cash Equivalents:		
Cash on hand	1.22	0.80
Balance with Banks	239.64	375.15
Cash and cash equivalents as per Balance Sheet (Refer Note 13)	**240.86**	**375.95**

Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2015 (as amended)

Particulars of liabilities arising from maturity of long term debt	Note No.	As at 31st March, 2019	Net cashflows	Non cash changes *	As at 31st March, 2020
Long term Borrowing including current maturity of long term debt	18 and 23	922.07	3,880.77	-	4,802.84
Interest accured on borrowings	22	7.98	(7.98)	-	-
Lease liability	7	-	(138.71)		402.58

* The same relates to amount charged in statement of profit and loss.

See accompanying notes forming part of the Standalone fianncial statements
Previous year figures have been restated wherever necessary, to confirm to this year's classification.
The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval

KARTIKEYA RAVAL
Partner

DELOITTE HASKINS & SELLS
AHMEDABAD
CHARTERED ACCOUNTANTS

PLACE : AHMEDABAD
DATE : 26th October,2020

For and on behalf of board of directors of
Concord Biotech Limited

Sudhir Vaid [Din no: 00055967]
Chairman & Managing Director

Ankur Vaid [Din No : 01857225]
Joint Managing Director & CEO

Prakash Sajnani
Sr.GM-Finance & Company Secretary

PLACE : AHMEDABAD
DATE : 8th September,2020

Concord Biotech Limited
Standalone Statement of Changes in Equity for the year ended 31st March,2020

A. Equity Share Capital (Amount Rs. in lacs)

Particulars	No. of shares	Amount
Balance as at 31st March, 2019	95,10,564	951.06
Changes in equity share capital during the year	-	-
Balance as at 31st March, 2020	95,10,564	951.06

B. Other Equity (Amount Rs. in lacs)

Particulars	Reserves and Surplus			Total Equity
	Retained Earnings	General Reserve	Securities premium	
Balance at 1st April, 2018	47,271.18	2,921.78	8,292.19	58,485.15
Profit for the year	11,838.96	-	-	11,838.96
Other comprehensive income	13.59	-	-	13.59
Total Comprehensive Income	**59,123.73**	**2,921.78**	**8,292.19**	**70,337.70**
Dividends	(2,520.30)	-	-	(2,520.30)
Tax on dividend	(518.05)	-	-	(518.05)
Balance as at 31st March, 2019	**56,085.38**	**2,921.78**	**8,292.19**	**67,299.35**
Balance at 1st April, 2019	56,085.38	2,921.78	8,292.19	67,299.35
Adjustment due to Ind AS 116 transition	(69.46)			(69.46)
Deferred tax assets transition	17.48			17.48
Profit for the year	16,896.35	-	-	16,896.35
Other comprehensive income	(31.82)	-	-	(31.82)
Total Comprehensive Income	**72,897.93**	**2,921.78**	**8,292.19**	**84,111.90**
Dividends	(6,681.17)	-	-	(6,681.17)
Tax on dividend	(1,373.33)	-	-	(1,373.33)
Balance as at 31st March, 2020	**64,843.43**	**2,921.78**	**8,292.19**	**76,057.40**

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval

KARTIKEYA RAVAL
Partner

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS AHMEDABAD

PLACE : AHMEDABAD
DATE : 26th October,2020

For and on behalf of board of directors
Concord Biotech Limited

Sudhir Vaid [Din no: 00055967]
Chairman & Managing Director

Ankur Vaid [Din No : 01857225]
Joint Managing Director & CEO

Prakash Sajnani
Sr.GM-Finance & Company Secretary

PLACE : AHMEDABAD
DATE : 8th September,2020

Concord Biotech Limited

Notes to the Standalone Financial Statements

1. Corporate Information

Concord Biotech Limited (the Company) is a public company domiciled in India and incorporated under the provisions of Companies Act, 2013. The Company is engaged in research and development, manufacturing, marketing and selling of active pharmaceutical ingredients, with focus on the fermentation, semi-synthesis and synthesis based products.

A formulation development & manufacturing facility at Valthera, located near Ahmedabad, India was commissioned in 2016 to manufacture pharmaceutical formulation product.

Company as part of its growth strategy in order to meet growing demand for its products and to commercialize new niche Biotech products has initiated the construction of new API Plant. It is being designed as per global regulatory standards to cater to worldwide market.

2. Statement of Compliance

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

3. Basis of Preparation of Financial Statements

3.1. Basis of Preparation and Presentation

The financial statements have been prepared and presented under the historical cost convention on an accrual basis of accounting except for the following material items which have been measured at fair value.

- Derivative financial instrument
- Investments in Mutual Funds
- Defined benefit plan – plan assets measured at fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3.2. Functional and Presentation Currency

The financial statements are presented in Indian Rupees, the currency of the primary economic environment in which the Company operates. All the amounts are rounded to the nearest rupee lacs.

3.3. Use of estimates

The preparation of financial statements are in conformity with the recognition and measurement principles of Ind-AS which requires management to make critical judgments, estimates and assumptions that affect the reporting of assets, liabilities, income and expenditure.

Estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to the estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amount of assets and liabilities within the next financial year, is in respect of:

- Useful lives of property, plant and equipment (refer note no. 4.1)
- Impairment of intangible asset (refer note no. 4.8)
- Valuation of deferred tax assets (refer note no. 4.12)
- Valuation of Inventories (refer note no. 4.7)
- Provisions & Contingent Liabilities (refer note no. 4.10)
- Employee benefits (refer note no.4.9)
- Leases-Company as a leasee (refer note no. 4.5)

4. Significant accounting policies

4.1. Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and any accumulated impairment losses. The cost of fixed assets comprises of its purchase price, non-refundable taxes & levies, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing cost attributable to financing of acquisition or construction of the qualifying fixed assets is capitalized to respective assets when the time taken to put the assets to use is substantial.

When major items of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. The cost of replacement of any property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefit associated with the item will flow to the Company and its cost can be measured reliably.

Pre-operative expenditure comprising of revenue expenses incurred in connection with project implementation during the period up to commencement of commercial production are treated as part of the project costs and are capitalized. Such expenses are capitalized only if the project to which they relate, involve substantial expansion of capacity or upgradation.

Borrowing cost relating to construction of new API Plant which take substantial period of time to get ready for capitalization is included in capital work-in-progress.

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the Balance sheet date.

DELOITTE HASKINS & SELLS
AHMEDABAD
CHARTERED ACCOUNTANTS

Concord Biotech Limited
A'BAD

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its use. Difference between the sales proceeds and the carrying amount of the asset is recognized in profit and loss.

Freehold land is carried at historical cost and not depreciated. Depreciation on fixed assets is provided using straight line method (Except Vehicles which has been depreciation based on written down value method) based on useful life of the assets estimated by the management. The estimated useful lives, residual values and depreciation method are reviewed at each financial year-end and changes in estimates, if any are accounted for on a prospective basis.

The estimated useful lives of assets are as under:

Asset Category	**Useful Life**
Factory Building	30 years
Office Buildings	60 years
Plant and Machinery	20 years
Electric Installation	10 years
Laboratory Equipment	10 years
Computer	3 years
Office Equipment	5 years
Furniture & Fixtures	10 years

4.2. Intangible Assets

Intangible assets acquired separately are measured at cost of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses if any.

Intangible assets are amortized over the estimated useful life of three years which reflects the manner in which the economic benefit is expected to be generated. The estimated useful life of amortizable intangibles is reviewed at the end of each reporting period and change in estimates if any are accounted for on a prospective basis.

4.3. Foreign currency Transaction and Translation

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognized as income or expense of the period in which they arise. Monetary assets and liabilities denominated in foreign currency as at the balance sheet date are translated at the closing rate. The resultant exchange rate differences are recognized in the statement of profit and loss. Non-monetary assets and liabilities are carried at the rates prevailing on the date of transaction. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS AHMEDABAD

Concord Biotech Limited A'BAD

4.4. Financial Instruments

Financial assets

Recognition of financial assets:

i. Debt instruments at amortized cost – A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

> The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

> Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

ii. Equity investments – All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

iii. Mutual funds – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

iv. Investment in Joint Venture - Investment in Joint Venture is carried at cost in the financial statements.

De-recognition of financial assets

A financial asset is primarily de-recognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Recognition of financial liabilities

These liabilities include are borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.4.1. Derivative Financial Instruments

The Company enters into derivative financial instruments to manage its foreign exchange rate risk. Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately.

DELOITTE HASKINS & SELLS
AHMEDABAD
CHARTERED ACCOUNTANTS

Concord Biotech Limited
AHMEDABAD

4.4.2. Cash and cash equivalents

Cash and cash equivalents consists of cash on hand, short demand deposits and highly liquid investments, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value. Short Term means investments with original maturities of three months or less from the date of investments. Bank overdraft that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

4.4.3. Investments

Investments in mutual funds are primarily held for the company's temporary cash requirements and can be readily convertible in cash. These investments are initially recorded at fair value and classified as fair value through profit or loss.

4.4.4. Trade Receivables

Trade receivables are amounts due from customers for sale of goods or services performed in the ordinary course of business. Trade Receivables are initially recognized at its transaction price which is considered to be its fair value and are classified as current assets as it is expected to be received within the normal operating cycle of the business.

4.4.5. Borrowings

Borrowings are initially recorded at fair value and subsequently measured at amortized costs using effective interest method. Transaction costs are charged to statement of profit and loss as financial expenses over the term of borrowing.

Borrowing costs that are directly attributable to the construction of New Plant at Kheda District are included in Capital work-in-progress as part of the cost of such assets, up to the date the assets are ready for their intended use.

4.4.6. Trade Payables

Trade payables are amounts due to vendors for purchase of goods or services acquired in the ordinary course of business and are classified as current liabilities to the extent it is expected to be paid within the normal operating cycle of the business.

4.4.7. Other Financial Assets and Liabilities

Other non-derivative financial instruments are initially recognized at fair value and subsequently measured at amortized costs using the effective interest method.

4.5. Application of New accounting pronouncement

4.5.1 Leases – Company as lessee

The Company has adopted Ind AS 116 – Leases effective April 1, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (April 1, 2019). Accordingly previous period information has not been restated.

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

a) the contract involves the use of identified asset

b) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease and

c) the Company has the right to direct the use of the asset.

At the date of commencement of lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a team of twelve months or less (short-term leases) and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of lease.

The right-to-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct cost less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-to-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the lease assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

4.5.2 Amendment to Ind AS 12, Income Taxes

The Appendix C clarifies how to apply the re-cognition measurement principles while recognizing current tax, deferred tax, taxable profits (losses), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over tax treatments under Ind AS 12. As per appendix, the group needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment, which is being proposed to be used in its income tax filings. The clarification do not have any material impact on the financial statement of the Company.

The amendment clarifies that an entity shall recognize income tax consequences of dividends in profits or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. The clarification do not have any material impact on the financial statement of the Company.

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4.5.3 Amendment to Ind AS 23, Borrowing Costs:

The amendment clarifies that an entity shall consider specific borrowings as general borrowing while calculating capitalization rate, once substantial activities necessary to prepare a qualifying asset for which specific borrowing was obtained is completed for its intended use or sale. The clarification do not have any material impact on the Financial Statement of the Company.

4.6. Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification.

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

Operating cycle

Operating cycle of the company is the time between the acquisition of the assets for processing and their realization in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

4.7. Inventories

Inventories are carried at the lower of cost and net realizable value.

The cost incurred in bringing the inventory to their existing location and conditions are determined as follows:

a. Raw Material and Packing Material - Purchase cost of materials on FIFO basis.
b. Finished Goods (Manufactured) and work in progress - Cost of purchase, conversion cost, and other costs attributable to inventories.
c. Trading goods - Purchase cost on FIFO basis.

The cost of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recovered by the Company from taxing authorities), and transport, handling and other costs directly attributable to the bringing the inventory to their existing location and conditions. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sales.

4.8. Impairment of Assets

Financial Assets

At each balance sheet date, the company assesses whether a financial asset is to be impaired. Ind AS 109 requires expected credit losses to be measured through loss allowance. The Company measures the loss allowance for financial assets at an amount equal to lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for financial assets at an amount equal to 12-month expected credit losses.

Non-financial Assets

Tangible and Intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the profit or loss to such extent. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, such that the increase in the carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4.9. Employee Benefits

4.9.1. Short term employee benefits

Short term benefits payable before twelve months after the end of the reporting period in which the employees have rendered service are accounted as expense in profit and loss account.

4.9.2. Long term employment benefits

Defined Contribution Plans

Contributions to defined contribution plans (leave encashment) are recognized as expense when employees have rendered services entitling them to such benefits.

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Defined Benefit Plans

The Company's net obligation in respect of an approved gratuity plan, which is defined benefit plan, is calculated using the projected unit credit method and the same is carried out by qualified actuary. The current service cost and net interest on the net defined benefit liability (asset) is recognized in the statement of profit and loss. Past service cost are immediately recognized in the statement of profit and loss. Actuarial gains and losses net of deferred taxes arising from experience adjustment and changes in actuarial assumptions are recognized in other comprehensive income in the period in which they arise.

Compensated absences and earned leaves

The Company's current policy permit eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company expects to pay as a result of unused entitlement that has accumulated as at the reporting date. The expected cost of these benefits is calculated using the projected unit credit method by qualified actuary every year. Actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions are recognized in the statement of profit and loss in the period in which they arise. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

4.10. Provisions, contingent liabilities and contingent assets

Contingent liability:-

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the enterprise are disclosed as Contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

Contingent assets:-

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

Provisions:-

A provision is recognized when as a result of a past event, the Company has a present obligation whether legal or constructive that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the obligation is expected to be settled more than 12 months after the end of reporting date or has no definite settlement date, the provision is recorded as non-current liabilities after giving effect for time value of money, if material. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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4.11. Revenue recognition

Sale of Goods

Revenue is recognised for domestic and export sales when the Company transfers control over such products to the customer on dispatch from the factory and the port respectively.

Rendering of services

Income from services Revenue from services are recognised as the related services are performed.

Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably

Export incentives

Export entitlements are recognised as income when right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Profit or loss on sale of Investments

Profit or Loss on sale of investments are recorded on transfer of title from the Company, and is determined as the difference between the sale price and carrying value of investment and other incidental expenses.

Insurance claims

Insurance claims are accounted for to the extent the Company is reasonably certain of their ultimate collection.

4.12. Income Taxes

Income tax expense comprises current and deferred tax expense. Income tax expenses are recognized in statement of profit or loss, except when they relates to items recognized in other comprehensive income or directly in equity, in which case, income tax expenses are also recognized in other comprehensive income or directly in equity respectively.

Current tax is the tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of reporting period by the governing taxation laws, and any adjustment to tax payable in respect of previous periods. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes arising from deductible and taxable temporary differences between the tax base of assets and liabilities and their carrying amount in the financial statements are recognized using substantively enacted tax rates and laws expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax asset are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. The carrying amount of deferred

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tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to do the same.

4.13. Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.14. Research and development

Revenue expenditure on research and development activities is recognized as expense in the period in which it is incurred.

4.15. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of these assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.15 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

Note 5

Property, Plant and Equipment

(Amount Rs. in lacs)

Particualrs	Tangible Assets								
	Freehold Land	Building	Plant & Equipment	Laboratory Equipment	Office Equipment	Furniture and Fixtures	Computer	Vehicles	Total
Gross carrying amount as at 1st April, 2019	5,097.53	7,143.23	11,391.97	2,507.28	293.14	1,017.50	304.39	194.61	27,949.65
Additions during the year	336.58	210.36	1,690.22	205.72	4.55	33.99	80.06	137.07	2,698.55
Deductions during the year								98.23	98.23
Gross carrying amount as at 31st March, 2020	**5,434.11**	**7,353.59**	**13,082.19**	**2,713.00**	**297.69**	**1,051.49**	**384.45**	**233.45**	**30,549.96**
Accumulated depreciation as at 1st April, 2019	-	685.63	2,900.14	767.36	113.43	255.07	211.53	66.61	4,999.77
Depreciation for the year	-	248.03	1,189.07	282.79	54.69	106.61	72.38	51.75	2,005.32
Deductions during the year	-							86.42	86.42
Balance at 31st March, 2020	-	**933.66**	**4,089.21**	**1,050.15**	**168.12**	**361.68**	**283.91**	**31.94**	**6,918.67**
Carrying value as at 31-Mar-2020	**5,434.11**	**6,419.93**	**8,992.98**	**1,662.85**	**129.57**	**689.81**	**100.54**	**201.51**	**23,631.30**
Capital work-in-progress									**14,140.48**
Total									
Carrying amount as at 1st April, 2018	1,141.40	6,896.98	10,136.13	2,359.78	205.86	787.40	246.10	192.07	21,965.72
Additions during the year	3,956.13	246.25	1,301.53	147.50	87.28	230.10	58.29	2.54	6,029.62
Deductions during the year	-	-	45.69	-	-	-	-	-	45.69
Gross carrying amount as at 31st March, 2019	**5,097.53**	**7,143.23**	**11,391.97**	**2,507.28**	**293.14**	**1,017.50**	**304.39**	**194.61**	**27,949.65**
Accumulated depreciation as at 1st April, 2018	-	441.42	1,848.63	491.56	65.14	154.65	125.08	9.49	3,135.97
Depreciation for the year	-	244.21	1,085.73	275.80	48.29	100.42	86.45	57.12	1,898.02
Deductions during the year	-	-	34.22	-	-	-	-	-	34.22
Accumulated depreciation as at 31st March, 2019	-	**685.63**	**2,900.14**	**767.36**	**113.43**	**255.07**	**211.53**	**66.61**	**4,999.77**
Carrying value as at 31-Mar-2019	**5,097.53**	**6,457.60**	**8,491.83**	**1,739.92**	**179.71**	**762.43**	**92.86**	**128.00**	**22,949.88**
Capital work-in-progress									**1,899.19**
Total									

Notes:

(1) Buildings includes Rs.100 (Previous year Rs. 100) being cost of shares of Bopal"444"Association.

(2) Depreciation for the year includes Rs. 200.08 lacs (Previous Year - Rs.197.40 lacs) for depreciation on Research & Development assets.

(3) Additions to Fixed Assets during the year include capital expenditure on Research & Development amounting to Rs. 190.07 lacs (Previous Year Rs. 135.63 lacs) Refer note-41. The details of the same are as under:

Particulars	**For the Year Ended 31st March 2020**	**For the Year Ended 31st March 2019**
Factory Building	25.91	7.47
Plant & Machinery	27.08	93.76
Laboratory Equipment	114.34	21.93
Computer	9.41	7.52
Office Equipment	0.93	0.77
Furniture & Fixtures	12.40	4.05
Weighing Balance	-	0.13
TOTAL	**190.07**	**135.63**

(4) Details of property, plant and equipments which are hypothecated/mortgaged as security for borrowings are disclosed under note 18.

(5) The amount of capital commitments is disclosed in Note 34.

(6) Interest on Term Loan taken for Unit-3 Rs. 92.59 lacs is transferred to Capital work-in-progress.

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Note 6
Intangible Assets

(Amount Rs. in lacs)

Particulars	Intangible Assets		
	Software	Technical Know-How	Total
Gross carrying amount as at 1st April, 2019	71.10	70.06	141.16
Additions during the year	4.80		4.80
Deductions during the year	-	-	-
Gross carrying amount as at 31st March, 2020	**75.90**	**70.06**	**145.96**
Accumulated amortisation as at 1st April, 2019	50.90	70.06	120.96
Amortisation for the year	15.74	-	15.74
Deductions during the year	-	-	-
Balance at 31st March, 2020	**66.64**	**70.06**	**136.70**
Carrying value as at 31st March, 2020	**9.26**	**0.00**	**9.26**
Carrying amount as at 1st April, 2018	56.67	70.06	126.73
Additions during the year	14.43	-	14.43
Deductions during the year	-	-	-
Gross carrying amount as at 31st March, 2019	**71.10**	**70.06**	**141.16**
Accumulated amortisation as at 1st April, 2018	27.24	60.40	87.64
Depreciation for the year	23.66	9.66	33.32
Deductions during the year	-	-	-
Accumulated amortisation as at 31st March, 2019	**50.90**	**70.06**	**120.96**
Carrying value as at 31st March, 2019	**20.20**	**0.00**	**20.20**

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Note 7

Right-of use assets (Amount Rs. in lacs)

Particulars	As at 31st March, 2020
Right-of use Assets	319.54
Total	319.54

Leased Liabilities (Amount Rs. in lacs)

Particulars	As at 31st March, 2020
Leased Liabilities-Current	109.13
Leased Liabilities- Non Current	293.45
Total	402.58

A. For transition, The Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

On transition, The Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. The weighted average incremental borrowing rate of 9.90% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which The Company has chosen to apply the practical expedient as per the standard.

The Company has adopted modified retrospective approach as per para C8 (C) (i) of IND-AS 116, Leases to its leases effective from accounting period beginning from April 01, 2019 and recognised Right of Use assets and Lease Liability as on April 01, 2019 and difference between Right of Use Assets and Lease Liability, net of deferred tax amounting to Rs. 51.98 lakhs (Deferred Tax Rs. 17.48 lakhs) has been adjusted in retained earnings.

B. The Company has taken Office building and other warehouse on lease.

Disclosures as per Ind AS 116 - Leases are as follows:

The changes in the carrying value of ROU assets for the year ended on March 31, 2020 are as follows :

Particulars	Office Building	Warehouse	Total
Recognition of ROU Asset on account of adoption of Ind AS 116	390.25	12.22	402.47
Regrouping on account of adoption of Ind AS 116	-		
Additions during the year		20.59	20.59
Deletions/cancellation/modification during the year			
Depreciation	(97.56)	(5.96)	(103.52)
Balance at the end of the year	292.69	26.85	319.54

The aggregate depreciation expense on ROU assets is included under depreciation expense in the Statement of Profit and Loss.

D. **The movement in lease liabilities for the year ended on March 31, 2020 are as follows :**

Particulars	Office Building	Warehouse	Total
Recognition of lease liabilities on account of adoption of Ind AS 116	458.63	13.31	471.94
Additions during the year		20.59	20.59
Deletions during the year			
Finance cost accrued during the year	45.40	3.36	48.76
Payment of lease labilities	(131.11)	(7.60)	(138.71)
Balance at the end of the year	372.92	29.66	402.58

The break-up of current and non-current lease liabilities as on March 31, 2020 is as under :

Particulars	Office Building	Warehouse	Total
Current	103.36	5.77	109.13
Non Current	269.56	23.89	293.45
Total	372.92	29.66	402.58

E. **The details of contractual maturities of lease liabilities as on March 31, 2020 on discounted basis are as follows:**

Particulars	Office Building	Warehouse	Total
Less than one year	103.36	5.77	109.13
One to five years	269.56	23.89	293.45
More than five years			
Total	372.92	29.66	402.58

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

G. **The amount recognised in the statement of profit or loss are as follows:**

Particulars	Office Building	Warehouse	Total
Depreciation expense of right-of-use assets	97.56	5.96	103.52
Interest expense on lease liabilities	45.40	3.36	48.76
Rent expense - short-term lease and leases of low value assets	0.24	-	0.24
Total	143.20	9.32	152.52

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Note 8
Investments (Amount Rs. in lacs)

Particulars	No. of units as at 31st March, 2020	No. of units as at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Non-Current				
(1) Investment in joint venture using Equity method (Unquoted)				
Investment in Equity instruments of Concord Biotech Japan (Unquoted 200 shares)			66.52	-
Total Investments at cost- Non current			**66.52**	-
Current				
(2) Financial assets at fair value through profit and loss (FVTPL) (Refer Note- 38)				
Investments in Mutual Funds at FVTPL- Units of Mutual Funds (Refer note- ii)			19,810.56	22,933.49
Edelweiss Arbitrage Fund - Regular Plan Growth	1,69,96,702	2,03,82,986	2,485.27	2,795.04
ICICI Prudential Equity Arbitrage Fund - Growth	53,21,649	1,73,16,927	1,378.93	4,222.89
Kotak Equity Arbitage Fund- Growth (Regular Plan)	54,19,947	2,08,94,926	1,520.18	5,512.60
Reliance Arbitrage Advantage Fund - Growth Plan	1,31,10,327	1,01,05,248	2,636.91	1,913.47
Reliance Liquid Fund - Growth Plan - Growth Option	-	35,759	-	1,623.18
Axis Liquid Fund -Direct Growth	-	68,397	-	1,418.22
L&T Liquid fund - Regular Growth	-	23,742	-	606.28
Aditya Birla Sun Life Credit Risk Fund Growth Regular (Formerly Known as Aditya Birla Sun Life Corporate Bond)	60,56,568	60,56,568	875.77	828.22
Axis Strategic Bond Fund - Growth	11,61,353	11,61,353	227.13	211.25
Franklin India Short Term Income Plan - Retail Plan	21,282	21,282	815.42	850.69
ICICI Prudential Saving Fund - Growth	1,16,856	1,16,856	452.64	419.20
Kotak Low Duration Fund Standard Growth (Regular Plan)	18,324	18,324	451.56	418.96
Reliance Prime Debt Fund - Growth Plan - Growth Option	5,36,413	5,36,413	226.25	209.93
Sbi Credit Risk fund - Regular- growth	28,16,336	28,16,336	892.94	841.18
Kotak Equity Saving Fund - Growth (Regular Plan)	74,83,630	74,83,630	999.74	1,062.38
Franklin India Liquid Super Instl Gr	63,665	-	1,891.12	-
IDFC Arbitrage - Growth	1,48,14,627	-	3,655.73	-
SBI Overnight Fund - Growth	40,346	-	1,300.97	-
Total Investments at FVTPL- Current			**19,810.56**	**22,933.49**

(i) Aggregate value unquoted investments	66.52	-
(ii) Aggregate NAV of investment in mutual funds	19,810.56	22,933.49
(iii) Aggregate impairment in value of investment	-	-

Note 9
Other financial assets (Amount Rs. in lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured, considered good unless otherwise stated		
Non- current		
Security deposits	44.56	48.06
Term Deposits with maturity more than 12 months (Refer note below)	66.63	31.43
Other Receivables	429.77	7.08
Total	**540.96**	**86.57**

Note: Lodged as margin money against Bank Guarantees and other Commitments

Note- 10
Other non current assets (Amount Rs. in lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured, considered good unless otherwise stated		
Capital advances	1,470.03	1,020.86
Total	**1,470.03**	**1,020.86**

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Note 11
Inventories **(Amount Rs. in lacs)**

Particulars	**As at 31st March, 2020**	**As at 31st March, 2019**
(At lower of Cost and Net Realizable Value)		
(a) Raw materials	6,114.70	4,201.48
(b) Work-in-progress	3,912.05	3,716.48
(c) Finished goods - Including Goods in transit (C.Y. Nill , P.Y. 389.56 Lakhs)	508.87	602.31
(d) Fuel	30.41	21.66
(e) Stores & Spares	43.80	109.92
(f) Stock in Trade	513.33	519.89
Total	**11,123.16**	**9,171.74**

Inventories are hypothecated as Security for Borrowings as disclosed under Note-18.

Inventory write down are accounted, considering the nature of inventory, ageing and net realisable value Rs. 40.09 lacs (March, 2019 Rs. 45.06 lacs). The changes in write downs are recognised as an expense in the statement of Profit and loss.

Note 12
Trade receivables **(Amount Rs. in lacs)**

Particulars	**As at 31st March, 2020**	**As at 31st March, 2019**
Unsecured, Considered good	18,350.50	15,860.78
Unsecured, Considered doubtful	115.55	81.38
Less:- Allowance for doubtful trade receivables	115.55	81.38
Total	**18,350.50**	**15,860.78**

(i) **Movements in the expected credit loss allowance :**

Opening balance	81.38	22.62
Add / (less) : Provision made / (reversed) during the year	44.64	58.81
Less: Provision used during the year	10.47	0.05
Closing balance	115.55	81.38

(ii) The fair value of trade receivables is not materiality different from carrying value presented.

(iii) Trade Receivables are given as Security for Borrowing as disclosed under Note-18.

(iv) Trade Receivables are non interest bearing and are generally on terms of 30 to 90 days credit.

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Note 13
Cash and cash equivalents (Amount Rs. in lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Cash and cash equivalents		
Cash on hand	1.22	0.80
Balance with Banks		
Current accounts	239.64	375.15
In EEFC account		-
Total cash and cash equivalents	**240.86**	**375.95**
Other bank balances		
Term Deposits with Maturity more than 3 months but less than 12 months (Refer note below)	**17.81**	**6.31**

Note: Lodged as margin money against Bank Guarantees and other Commitments

Note 14
Other financials assets (Amount Rs. in lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured, considered good unless otherwise stated		
Current		
Export Incentive Receivable	869.24	700.01
Interest Accured but not due on deposits	4.63	1.11
Derivative financial instruments	91.28	31.62
Insurance claims	7.10	7.60
Security Deposit	26.48	-
Other Receivables	76.26	146.10
Total	**1,074.99**	**886.43**

Note 15
Other current assets (Amount Rs. in lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured, considered good unless otherwise stated		
Advance to Supplier	178.48	163.20
Balances with indirect tax authorities	2,287.87	351.12
Prepaid expenses	402.27	226.72
Income Tax Refund Receivable	380.39	-
Employee Benefits Assets (Refer note 36)	-	6.98
Advances to Employees	12.56	7.20
Total	**3,261.57**	**755.22**

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Note 16
Equity Share Capital

(Amount Rs. in lacs)

Balance	As at 31st March, 2020	As at 31st March, 2019
Authorised 10,000,000 (Previous Year - 10,000,000) equity shares of Rs. 10/- each with voting rights	1,000.00	1,000.00
	1,000.00	1,000.00
Issued, Subscribed and fully paid-up 95,10,564 (Previous Year - 95,10,564) equity shares of Rs. 10/- each fully paid up with voting rights	951.06	951.06
	951.06	951.06

(i) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:

Particular	As at 31st March, 2020		As at 31st March, 2019	
	Numbers	Rs. In Lacs	Numbers	Rs. In Lacs
As at the beginning of the year	95,10,564	951.06	95,10,564	951.06
Issued during the year	-	-	-	-
Outstanding at the end of the year	**95,10,564**	**951.06**	**95,10,564**	**951.06**

(ii) Terms/rights attached to equity shares with voting rights
The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The dividend propsed by the Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting.

(iii) Details of shareholders holding more than 5% shares in the company

	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	% Holding	No. of shares	% Holding
Equity Shares of Rs. 10 each fully paid				
Mr. Sudhir Jairam Vaid	27,42,684	28.84%	27,42,684	28.84%
Helix Investment Holdings Pte Limited, Singapore	19,02,332	20.00%	19,02,332	20.00%
Mrs. Manju Sudhir Vaid	9,07,944	9.55%	9,07,944	9.55%
Nishtha Jhunjhunwal Disc Trust	7,63,612	8.03%	7,63,612	8.03%
Aryavir Jhunjhunwal Disc Trust	7,63,614	8.03%	7,63,614	8.03%
Aryaman Jhunjhunwal Disc Trust	7,63,614	8.03%	7,63,614	8.03%
M/s. Ontario Inc.	5,12,776	5.39%	5,12,776	5.39%

In the period of five years immediately preceding 31st March 2020:

i) The Company has not allotted any equity shares as fully paid up without payment being received in cash.
ii) The Company has not allotted any equity shares by way of bonus issue.
iii) The Company has not bought back any equity shares.

Note 17
Other Equity

(Amount Rs. in lacs)

Balance	As at 31st March, 2020	As at 31st March, 2019
Reserve and Surplus		
Retained Earnings	64,843.43	56,085.38
General Reserve	2,921.78	2,921.78
Securities premium	8,292.19	8,292.19
Total	**76,057.40**	**67,299.35**

Nature and purpose of reserves:

General reserve — The general reserve is used from time to time to transfer profits from retained earnings for propriation purposes. There is no policy of regular transfer. Items included under General Reserve shall not be reclassified back into the Statement of Profit & Loss .

Retained Earning — Retained Earnings : Retaned Earnings are the profits that the company has earned till date less any transfer to general reserve, dividends and other distributions to shareholder.

Securities Premium — This reserves represents Security Premium received at the time of issuance of Equity Shares.

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Note 18
Borrowings (Amount Rs. in lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non-current interest bearing borrowing		
Secured at amortised cost		
Term Loan	3,552.84	-
Total	**3,552.84**	**-**

Note :
The Company has availed Term Loan from State Bank of India. Term Loan of Rs.100 Crores is secured by first charge on Factory Land & Building and Plant & MAchinery of Unit-III at Limbasi, Dist. Kheda, (Survey No. 666,667,668 and 84 at Village MAlavada and Survey No. 94A,94B,119,120,126,135 and 136 at Ranasar) and charge on the same has been created. Interest rate is 3 months MCLR + 0.20% p.a and loan is repayable in 16 quarterly instalments of RS.6.25 crores each starting from October,2020.

Note 19
Provisions
Long Term Provisions (Amount Rs. in lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provisions for compensated absences	159.40	118.55
Total	**159.40**	**118.55**

Short term provisions (Amount Rs. in lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for Compensated Absences	10.69	12.28
Provision for Gratuity (Refer Note : 36)	17.71	-
Total	**28.40**	**12.28**

Note 20
Income taxes
The major component of income tax expense for the years ended 31st March, 2020 and 31st March, 2019 are as follows:

(Amount Rs. in lacs)

Particulars	Year ended	
	31st March, 2020	31st March, 2019
Statement of Profit and Loss		
Current income tax	5,447.00	5,550.00
short provision related to earlier years	5.80	11.50
Deferred tax expense	(1,000.19)	391.45
Income tax expense in the Statement of Profit and Loss	**4,452.61**	**5,952.95**
Statement to Other comprehensive income (OCI)		
Tax expense related to items recognised in OCI during the year		
Remeasurement gain of defined benefit plan	(10.70)	7.30
Income tax credit recognised in OCI	**(10.70)**	**7.30**

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Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended 31st March, 2020 and 31st March, 2019.

(a) Current tax

Particulars	Year ended	
	31st March, 2020	31st March, 2019
Accounting profit before tax	21,348.96	17,791.91
Tax Rate	25.168%	34.944%
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	5,373.11	6,217.21
Adjustment		
Tax impact in income charged under capital gain	(351.98)	(9.65)
Exempt income - long term capital gain on sale of mutual fund investment		-
Deduction on account of expenses allowable in tax but not claimed in book	(512.25)	(1,020.99)
Expenditure not deductible under tax	661.64	742.15
Tax impact on notional (income) / expense	276.48	(378.71)
Excess/Short provision related to earlier year	5.80	11.50
Changes in recognised deductable temporary differences	(1,000.19)	391.45
Total income tax expense	4,452.61	5,952.95
Effective tax rate	20.86	33.46

In September 2019, the Government of India promulgated the Taxation Laws (Amendment) Ordinance 2019, announcing major slashes to the corporate tax rates in the Income Tax Act, 1961. The existing Companies were provided an option to pay tax at a oncessional rate of 22% (plus Surcharge/Cess), with consequential surrender of specified deductions/incentives. The Company opted for the new scheme, which resulted in the reduction of total tax outgo.

(b) Deferred tax

The Company has accrued significant amounts of deferred tax. Significant components of Deferred tax (assets) & liabilities recognized in the

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred tax liabilities		
Depreciation and amortization	1,423.96	2,020.05
Fair Valuation of Investment in mutual funds	148.12	589.53
Total	1,572.08	2,609.58
Deferred tax assets		
Provision for employee benefit expense	29.14	24.27
Long term loss carried forward	-	23.63
Provision for doubtful debts	8.60	20.53
Provision for MSME	0.62	-
Leased liability Transition	20.89	-
Total	59.25	68.43
Deferred Tax liabilities	1,512.83	2,541.15
Total	1,512.83	2,541.15

Movement of deferred tax liabilities / (assets) during the year:

Particulars	As at 31st March, 2020	For the Year Ended 31st March, 2019
Deferred tax liabilities / (assets) in relation to:		
Depreciation, amortization and impairment	(596.12)	61.87
Fair Valuation of Investment in mutual funds	(441.41)	380.74
Provision for employee benefit expense	(4.87)	0.30
Long term loss carried forward	23.63	-
Provision for doubtfull debts	11.93	(20.53)
Provision for MSME Interest	(0.62)	-
Leased liability Transition	(3.41)	-
Deferred tax expense	(1,010.87)	422.38

There are certain income-tax related legal proceedings which are pending against the Company. Potential liabilities, if any have been adequately provided for, and the Company does not currently estimate any probable material incremental tax liabilities in respect of these matters. Refer note 34 (ii)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Company has opted lower rate of income tax and deferred tax for 31st March, 2020 has been recognised as per revised rate of tax.

Deferred tax impact on transition to Ind AS 116 has been recognised in opening balance of retained earnings.

Note 21

Trade Payables

(Amount Rs. in lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Due to micro and small enterprise (Refer note : 42)	666.92	26.90
Due to others	6,477.42	3,287.60
Total	7,144.34	3,314.50

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Note 22
Other financial liabilities **(Amount Rs. in lacs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Current Maturities of Long-term Debt (Refer Note- 18)	1,250.00	922.07
Interest accrued but not due on borrowings	0.00	7.98
Payables for employee benefits	610.84	484.49
Security Deposits	10.00	260.00
Payable on purchase of Fixed Assets	108.45	261.31
Total	**1,979.29**	**1,935.85**

Note 23
Other current liabilities **(Amount Rs. in lacs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Payable to Statutory and other authorities	116.56	85.91
Advance from customers	1,973.39	70.98
Total	**2,089.95**	**156.89**

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Note 24

Revenue From Operations

(Amount Rs. in lacs)

Particulars	For the Year Ended 31st March,2020	For the Year Ended 31st March,2019
Sale of products -Refer Note Below :	49,818.03	42,715.25
Sale of Services	-	72.96
	49,818.03	**42,788.21**
Other Operating Income		
Export benefits	1,414.95	812.94
	1,414.95	**812.94**
Total	**51,232.98**	**43,601.15**

Disaggregate revenues from contracts with customers based on geography for the year ended 31st March, 2020

(Amount Rs. in lacs)

Particulars	For the Year Ended 31st March,2020	For the Year Ended 31st March,2019
Domestic	26,156.47	24,927.14
Export	25,076.51	18,674.01
Total	**51,232.98**	**43,601.15**

Reconciliation of Revenue from operations with contract price:

(Amount Rs. in lacs)

Particulars	For the Year Ended 31st March,2020	For the Year Ended 31st March,2019
Contract Price	52,648.95	44,898.90
Less : Adjustment made to contract price on account of:		
Sales Return	(1,027.21)	(1,297.64)
Others - rate difference	(388.76)	(0.11)
Total	**51,232.98**	**43,601.15**

Note 25

Other Income

Particulars	For the Year Ended 31st March,2020	For the Year Ended 31st March,2019
Interest income		-
From Bank	4.09	4.21
On income tax Refund	3.52	0.01
Net gain on sale of investments	2,340.07	228.88
Net foreign exchange gain	735.70	314.03
Gain on FV of investment in mutual fund	-	1,083.77
Insurance claim Received	0.41	-
Miscellaneous income	28.48	67.89
Excsess provision no longer required	8.71	44.27
Provision for Doubtful Advances of earlier years no longer required	-	0.44
Provision for Doubtful Debts of earlier years no longer required	10.48	-
Profit on sale of fixed assets (net)	5.21	0.53
Total	**3,136.67**	**1,744.03**

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Note 26

Cost of materials consumed

Particulars	For the Year Ended 31st March,2020	For the Year Ended 31st March,2019
Opening Stock	4,201.48	2,690.60
Add: Purchases	14,314.25	11,579.28
	18,515.73	**14,269.88**
Less: Closing stock	6,114.70	4,201.48
Total	**12,401.03**	**10,068.40**

Note 27

Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the Year Ended 31st March,2020	For the Year Ended 31st March,2019
Opening stock		
Finished goods	234.98	171.28
Stock-in-trade	519.89	247.95
Work-in-progress	3,716.48	3,936.59
	4,471.35	**4,355.82**
Less : Closing stock		
Finished goods	531.10	234.98
Stock-in-trade	513.33	519.89
Work-in-progress	3,912.05	3,716.48
	4,956.48	**4,471.35**
Net (increase) in stock	**(485.13)**	**(115.53)**

Note 28

Employee benefits expense

Particulars	For the Year Ended 31st March,2020	For the Year Ended 31st March,2019
Salaries, wages and bonus	5,743.53	4,820.22
Contribution to provident and other funds	364.18	262.69
Staff welfare expenses	116.68	99.57
Total	**6,224.39**	**5,182.48**

Note 29

Finance costs

Particulars	For the Year Ended 31st March,2020	For the Year Ended 31st March,2019
Interest expense	21.06	68.88
Interest Expense-leased liabilities (Refer Note 7)	48.76	-
Total	**69.82**	**68.88**

Note 30

Depreciation and amortization

Particulars	For the Year Ended 31st March,2020	For the Year Ended 31st March,2019
Depreciation for the year on tangible assets(Refer Note 5)	2,005.32	1,898.02
Amortization for the year on intangible assets (Refer Note 6)	15.74	33.32
Amortization for the year on right of use assets (Refer Note 7)	103.52	-
Total	**2,124.58**	**1,931.34**

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Note 31

Other expenses

Particulars	For the Year Ended 31st March,2020	For the Year Ended 31st March,2019
Other than those included in pre-operative expense		
Manufacturing Expense		
Power & Fuel Consumed	3,730.36	3,629.05
Consumption of stores and spare parts	751.82	613.88
Laboratory Expenses	991.75	1,009.96
Effluent Treatment Plant	333.05	155.37
Repairs & Maintenance - Plant & Machinery	176.83	121.50
Repairs & Maintenance - Buildings	167.98	152.95
Repairs & Maintenance - Others	469.57	338.58
Safety & Environment Charges	38.30	42.59
Testing Fees	110.03	57.15
TOTAL MANUFACTURING EXPENSES	**6,769.69**	**6,121.03**
Administrative expense		
Rates & Taxes	370.27	357.92
Insurance Expense	94.10	74.33
Bank Charges	46.89	24.20
Travelling and conveyance	554.28	499.44
Postage, Telegram and stationery	80.30	132.32
Audit Fees (Refer Note-33)	11.00	11.00
Legal & Professional Fees	364.26	268.20
Directors Sitting Fee	3.20	2.20
Bad Debt written off	17.43	0.05
Provision for Doubtful Debt	44.64	58.76
Donation	0.50	0.15
Security Service Charges	85.54	75.35
Miscellaneous Expense	119.01	108.75
Communication Expense	27.25	23.33
Membership & Subscription	21.00	20.76
Rent Expense (Refer Note 7)	0.24	136.28
Corporate Social Responsibilies Expense (Refer Note-35)	286.54	51.95
Loss on Fair Market value of Investments	1,098.54	-
Computer Maintanance	53.18	25.60
TOTAL ADMIN EXPENSES	**3,278.17**	**1,870.59**
Selling & Distribution Expenses		
Export Expenses	276.62	162.09
Freight and forwarding	146.96	116.63
Commission Expenses	710.02	456.46
Samples, Sales Promotion and Advertisement Expenditure	426.67	842.29
TOTAL SELLING EXPENSES	**1,560.27**	**1,577.47**
TOTAL	**11,608.13**	**9,569.09**

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Note 32

Earnings per share (Amount Rs. in lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Basic and Diluted EPS		
Profit attributable to equity shareholders	16,896.35	11,838.96
Weighted average number of equity shares outstanding during the year	95,10,564	95,10,564
Nominal Value of equity share	10.00	10.00
Basic and Diluted EPS	177.66	124.48

Note 33

Auditors Remuneration (Amount Rs. in lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Audit Fees	11.00	11.00
Other services	2.01	1.27
Reimbursement of expense	-	-
	13.01	**12.27**

Note 34

(i) Commitments and Contingencies (Amount Rs. in lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for in respect of the Tangible Assets (Net of Advances)	8,996.56	6,141.12
	8,996.56	**6,141.12**

(ii) Contingent liabilities (Amount Rs. in lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Claims against the company / disputed liabilities not acknowledged as debts:		
Disputed demand of Excise duty for which an appeal has been preferred	379.37	-
Disputed demand of Income Tax	9.43	327.35

Notes:

(a) It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending litigations of the respective proceedings.

(b) The Company does not expect any reimbursements in respect of the above contingent liabilities.

(c) The Company believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations. These demands are with respect to income tax and service tax matters for which appeals have been filed.

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Note 35

Corporate Social responsibilities

(a) The Company is required to spend Rs. 299.90 lacs, (31st March, 2018 Rs. 285.39 lacs) on CSR activities under section 135 of the Act.

(b) Amount spent towards CSR actities during the year are as follows:

(Amount Rs. in lacs)

Sr. No.	Sector and Project	Year ended 31st March, 2020	Year ended 31st March, 2019
1	Wokhardt foundation for Health care activities	39.62	27.39
2	Support during Covid-19 Pendamic	1.44	-
3	Calender Event spreading awearness	5.12	-
4	Holistic Development Program and scholarship for educational activites	31.83	5.50
5	Kidney Foundation & Hospital	18.94	-
6	Patient care Program	6.06	-
7	Scholarship Program	9.53	-
8	Environment Sustainability	12.98	-
9	Others- Promoting Education and spreading Awareness	145.68	-
10	Indian Renal Foundation	-	1.80
11	Shree Jagannath Cultural Academy	-	1.00
12	Blood donation camp at Dholka	1.71	0.46
13	Parashar Foundation (Organ India)	-	0.50
14	Chandigarh Kidney Foundation - awareness about Kidney disease	-	1.00
15	Surbhi Meditek-Machine for Nagpal Kidney & Super Speciality Hospital	-	1.27
16	Janki Hospital Aurangabad for poor Hemodialysis patients	-	1.50
17	Janki Hospital - ECG machine	-	1.00
18	Apex Kidney Foundation	-	5.00
19	Shree Printstop - leaflet for World Kidney Day	-	0.38
20	Amar Gandhi Foundation	-	0.50
21	Entertainment Network India- Advertisement in Radio about World Kidney Day	-	2.55
22	Giftila consultancy - patient education kit	-	2.10
23	Admin Overheads	13.63	
Total		**286.54**	**51.95**

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Note 36

Defined Benefit Plan

A) Defined contribution plans:

The Company makes contributions towards provident fund, a defined contribution retirement benefit plan for qualifying employees. The provident fund is operated by the Regional Provident Fund Commissioner. The Company recognized Rs. 256.48 lacs (Previous Year Rs. 214.07 lacs) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

B) Defined benefit plans:

Actuarial Valuation for Compensated Absences is done as at the year end and the provision is made as per Company rules with corresponding charge to the Statement of Profit and Loss amounting to Rs. 54.78 lacs (Previous Year Rs. 48.22 lacs) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

The company makes annual contributions to the Employee's Group Gratuity cash accumulation scheme of the LIC, a funded defined benefit plan for qualifying employees. The Scheme provides for payment to vested employees at retirement/death while in employment or on termination of employment as per the provisions of the Gratuity Act, 1972. Vesting occurs on completion of 5 years of service. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method as per actuarial valuation carried out at the balance sheet date.

The following table sets out the status of the gratuity plan as required under IND AS-19 and the amounts recognized in the Company's financial statements as at 31st March, 2020:

(Amount Rs. in lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
i. Reconciliation of Opening and Closing Balances of defined benefit obligation		
Liability at the beginning of the Year	276.59	233.23
Current Service Cost	61.68	56.24
Interest Cost	21.52	18.35
Benefit paid	(3.99)	(3.89)
Net Actuarial losses (gain) Recognized	35.95	(27.34)
Liability at the end of the Year	391.75	276.59

ii. Reconciliation of Opening and Closing Balances of the Fair value of Plan assets	As at 31st March, 2020	As at 31st March, 2019
Plan assets at the beginning of the Year, at Fair value	283.57	259.55
Expected return on plan assets	22.06	20.43
Contributions	78.97	13.93
Benefit paid	(3.99)	(3.89)
Actuarial gain/(loss) on plan assets	(6.57)	(6.45)
Plan assets at the end of the Year, at Fair Value	374.04	283.57

iii. Reconciliation of the Present value of defined benefit obligation and Fair value of plan assets	As at 31st March, 2020	As at 31st March, 2019
Obligations at the end of the Year	391.75	276.59
Plan assets at the end of the Year, at Fair value	374.04	283.57
Liability recognized in balance sheet at the end of the Year	17.71	(6.98)

iv. Expense recognised in the statement of profit and loss for the year	As at 31st March, 2020	As at 31st March, 2019
Current Service Cost	61.68	56.24
Interest Cost	21.52	18.35
Expected returns on plan assets	(22.06)	(20.43)
	61.14	54.16

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v. Expense recognised in the other comprehensive income for the year	As at 31st March, 2020	As at 31st March, 2019
Acturial (gain)/loss on obligation for the period	35.95	(27.34)
Return on planned asset, excluding Interest Income	6.57	6.45
	42.52	(20.89)

vi. Actuarial Assumptions	As at 31st March, 2020	As at 31st March, 2019
Discount Rate (per annum)	6.82%	7.78%
Expected rate of return on plan assets	6.82%	7.78%
Salary Escalation	7.00%	7.00%
Attrition Rate	2.00%	2.00%
Weighted average duration of defined benefit obligation	13 Years	13 Years
Retirement Age	60 Years	60 Years
Mortality Tables	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

* The discount rate is based on the prevailing market yields of government of India securities as at the balance sheet date for the estimated term of the obligations.
**Expected rate of return on plan assets is determined based on the nature of assets and prevailing economic scenario.
*** The estimate of future salary increases considered, takes into account inflation, seniority, promotion, increments and other relevant factors.

vii. Sensitivity Analysis for each significant actuarial assumption

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	As at 31st March, 2020	As at 31st March, 2019
Projected Benefit Obligation on Current Assumptions	**391.75**	**276.59**
Impact of increase in discount rate by 1 %	(42.36)	(28.85)
Impact of decrease in discount rate by 1 %	50.64	34.37
Impact of increase in salary escalation rate by 1 %	47.19	32.29
Impact of decrease in salary escalation rate by 1 %	(40.63)	(27.81)
Impact of increase in employee turnover rate by 1 %	(1.97)	1.39
Impact of decrease in employee turnover rate by 1 %	1.94	(1.85)

viii.Expected contribution for the next year

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

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

viii.Investment details of plan assets:
The plan assets are managed by Insurance Company viz Life Insurance Corporation of India who has invested the funds substantially as under:

	As at 31st March, 2020	As at 31st March, 2019
Insurance Fund - investment in LIC policy	374.04	283.57
	374.04	283.57

ix.Maturity Profile

	As at 31st March, 2020	As at 31st March, 2019
1st Following Year	27.58	23.11
2nd Following Year	7.54	7.47
3rd Following Year	13.36	6.65
4th Following Year	10.93	12.01
5th Following Year	19.89	9.31
Sum of Years 6 to 10	136.98	111.10
Sum of Years 11 and above	839.61	683.10

x. Expected contribution during the next annual reporting period
The company's best expected contribution during the next year is Rs.102.73 lacs.

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Note 37

The Company has taken various derivatives to hedge its risk associated with foreign exchange fluctuations.

These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging instruments.

Forward exchange contracts and futures (being derivative instruments), which are not intended for trading or speculative purposes but for hedge purposes are entered,which are available at the settlement date of certain payables and receivables.

Nature	As at 31st March, 2020		As at 31st March, 2019	
	Amount (in Lacs)	Amount (Rs. in Lacs)	Amount (in Lacs)	Amount (in Lacs)
Hedging of Trade Receivables Forward Contracts	USD 38.540	2,832.11	USD 23.842	1,648.79

The details of foreign currency exposures not hedged by derivative instruments are as under:

Nature	As at 31st March, 2020		As at 31st March, 2019	
	Amount (in Lacs)	Amount (Rs. in Lacs)	Amount (in Lacs)	Amount (in Lacs)
Trade Receivable	USD 47.40 EURO 2.96 JPY 773.30	3,670.23 244.88 538.47	USD 65.12 EURO 2.68 JPY 1392.05	4,503.63 207.91 868.92
Advance from customer	USD 0.09	6.80	USD 11	760.54
Advance to Supplier	USD 0.21 EURO 2.11	15.70 174.91	USD 0.38	26.06
Trade Payable	USD 48.54 EURO 0.05	3,672.97 3.97	USD 8.78 EURO 0.25	607.44 19.41
ECB Loan Citi Bank	-	-	USD 13.33	922.07
Interest on ECB Loan	-	-	USD 0.12	8.40

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Note 38
Financial Instrument

(i) Financial assets and liabilities
Categories of Financial instruments

(Amount Rs. in lacs)

Particulars	As at 31st March, 2020 Fair Value	As at 31st March, 2019 Fair Value
Financial Assets :		
Cost		
Investment in Joint Venture using Equity method	66.52	-
Amortised cost		
Cash and Cash equivalents	240.86	375.95
Bank deposits other than cash and cash equivalent	17.81	6.31
Trade receivables	18,350.50	15,860.78
Other Financial Assets	1,524.67	941.38
Fair value through profit or loss		
Investments in Mutual Funds	19,810.56	22,933.49
Derivative instruments	91.28	31.62
Total	**40,102.20**	**40,149.53**

Financial Liabilities :		
Amortised cost		
Borrowings	4,802.84	922.07
Trade payables	7,144.34	3,314.50
Other Financial Liabilities	729.29	1,013.78
Lease Liability	402.58	-
Total	**13,079.05**	**5,250.35**

(ii) Fair value hierarchy :

The fair values of the financial assets and liabilities are determined based on the price that would be received to sell an asset or paid to transfer a liability at the reporting date considering the fair value hierarchy as under:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.
Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize 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, contingent consideration and indemnification asset included in level 3.

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Fair value hirerachy

The following tables categorise the financial assets and liabilities held at fair value by the valuation methodology applied in determining their fair value.

As at 31-Mar-2020	Level 1	Level 2	Level 3	Total
Financial Assets :				
Mutual Funds	19,810.56	-	-	19,810.56
Derivative financial assets	-	-	91.28	91.28
Total	**19,810.56**	**-**	**91.28**	**19,901.84**

As at 31-Mar-2019	Level 1	Level 2	Level 3	Total
Financial Assets :				
Mutual Funds	22,933.49	-	-	22,933.49
Derivative financial assets	-	-	31.62	31.62
Total	**22,933.49**	**-**	**31.62**	**22,965.11**

Determination of fair values:

The following are the basis of assumptions are used to estimated the fair value of financial assets and liabilities that are measured at fair value on recurring basis :

Cash and cash equivalents: approximates to the carrying amount
Trade receivables and payables: approximates to the carrying amount
Investment in Mutual Funds: The fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.
Borrowings: approximates to the carrying amount
Derivative instruments: For forward contracts,future cashflows are estimated based on forward exchange rates and forward interest rates (from observable forward exchange rates / yield curves at the end of the reporting period) and contract forward exchange rates and forward interest rates, discounted at a rate that reflects the credit risk of various conterparties.

Other financial assets and liabilities: approximates to the carrying amount

(iii) Financial Risk Management

The Company's activities are exposed to variety of financial risks. These risks include market risk (including foreign exchange risk and interest rate risks), credit risks and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company through established policies and processes which are laid down to ascertain the extent of risks, setting appropriate limits, controls, continuous monitoring and its compliance.

A Market Risk :

Market risk refers to the possibility that changes in the market rates may have impact on the Company's profits or the value of its holding of financial instruments. The Company is exposed to market risks on account of foreign exchange rates, interest rates and underlying equity prices.

A1 Foreign currency exchange rate risk :

The Company's foreign currency risk arises from its foreign currency transactions and foreign currency borrowings. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the company.

The overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

The major foreign currency exposures for the Company are denominated in USD. Additionally, there are transactions which are entered into in other currencies and are not significant in relation to the total volume of the foreign currency exposures. The Company hedges some trade receivables and future cash flows upto a maximum of 6 months forward based on historical trends, budgets and monthly sales estimates.

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The following table sets forth information relating to foreign currency exposure from non-derivative financial instruments:

As at 31-Mar-20	US Dollars	Others*	Total
Assets :			
Cash and cash equivalents	-	-	-
Trade and other receivables	3,670.23	783.35	4,453.58
Advance to Suppliers	15.70	-	15.70
Total	**3,685.93**	**783.35**	**4,469.28**
Liabilities :			
Borrowings	-	-	-
Trade and other payables	3,672.97	3.97	3,676.94
Advance from customer	6.80		6.80
Other liabilities	-	-	-
Total	**3,679.77**	**3.97**	**3,683.74**
Net Balance (Assets - Liabilities)	**6.16**	**779.38**	**785.54**

(Amount Rs. in lacs)

As at 31-Mar-19	US Dollars	Others*	Total
Assets :			
Cash and cash equivalents	-	-	-
Trade and other receivables	4,503.63	1,076.83	5,580.46
Advance to Suppliers	26.06	-	26.06
Total	**4,529.69**	**1,076.83**	**5,606.52**
Liabilities :			
Borrowings	922.07	-	922.07
Trade and other payables	607.44	19.41	626.85
Advance from customer	760.54		760.54
Other liabilities	8.40	-	8.40
Total	**2,298.45**	**19.41**	**2,317.86**
Net Balance (Assets - Liabilities)	**2,231.24**	**1,057.42**	**3,288.66**

*Others mainly includes currencies namely Euro and Japanese Yen.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD rates to the functional currency of entity, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	**Changes in USD rate**	**Effect on profit and loss**
March 31, 2020	+2%	0.09
	-2%	-0.09
March 31, 2019	+2%	29.03
	-2%	-29.03

A2 Interest rate risk :

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company is exposed to fluctuations in interest rates in respect of term loan carrying a floating rate of interest. In respect of term loan, the Company has outstanding borrowing of Rs.48.03 crores. There is no interest rate risks associated with term loan and hence interest rate sensitivity has not been performed.

Interest rate risk Analysis

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company is exposed to fluctuations in interest rates in respect of term loan carrying a floating rate of interest. In respect of term loan, the Company has outstanding borrowing of Rs.48.03 crores. The following table demostrates the sensitivity to a reasonable possible change on interest rates on that postion of borrowing afffected. with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate of borrowing as follows:

(Amount Rs.in Lakhs)

Particulars	**Effect on Profit before tax**	
	31st March 2020	**31st March 2019**
Increase in 50 basis points	(24.01)	(4.61)
Decrease in 50 basis points	24.01	4.61

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B Credit Risk :

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk materially consists of trade receivables and derivative financial instruments.

All trade receivables are subject to credit risk exposure. The Company trades with recognized and credit worthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Company's exposure to bad debts is not significant.The Company does not have significant concentration of credit risk related to trade receivables.

With respect to Derivatives, the Company's forex management policy lays down guidelines with respect to exposure per counter party i.e. with banks with high credit rating, processes in terms of control and continuous monitoring. The fair value of the derivatives are credit adjusted at the period end.

C Liquidity Risk :

Liquidity risk refers to the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity.

Contractual maturities of significant financial liabilities are as below:

As at 31-Mar-20	Due in Year 0 to 1	Due in Year 1 to 2	Due in Year 3 to 5	Due after Year 5	Total
Trade payables	7,144.34	-	-	-	7,144.34
Borrowings	1,250.00	3,552.84	-	-	4,802.84
Other financial Liabilities	838.42	-	-	-	838.42
Lease Liabilities	109.13	284.07	9.38	-	402.58
Total	**9,341.89**	**3,836.91**	**9.38**	**-**	**13,188.18**

As at 31-Mar-19	Due in Year 0 to 1	Due in Year 1 to 2	Due in Year 3 to 5	Due after Year 5	Total
Trade payables	3,314.50	-	-	-	3,314.50
Borrowings	922.07	-	-	-	922.08
Other financial Liabilities	1,013.78	-	-	-	1,013.78
Lease Liabilities	-	-	-	-	-
Total	**5,250.35**	**-**	**-**	**-**	**5,250.36**

(iv) Capital Management

The capital structure of the company consists of equity and debt. The Company's objective for capital management is to maintain the capital structure which will support the Company's strategy to maximize shareholder's value, safeguarding the business continuity and help in supporting the growth of the Company.

The net debt to equity ratio at the end of the reporting period was as follows:

Particualrs	As at 31st March, 2020 (Rs.in Lacs)	As at 31st March, 2019 (Rs.in Lacs)
Non-current borrowings (refer note 18)	3,552.84	-
Current maturities of non-current borrowings (refer note 22)	1,250.00	922.07
Interest accrued but not due on borrowings (refer note 22)	0.00	7.98
Total Debt	**4,802.85**	**930.05**
Less : Cash and bank balances (refer note 13)	258.67	382.26
Net Debt	**4,544.18**	**547.79**
Equity (refer note 16 and 17)	77,008.46	68,250.41
Net debt to equity ratio	**0.06**	**0.01**

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Note 39
Related party transactions

a. List of related parties and relationship

Other related parties

Key Management Personnel	Mr.Sudhir Vaid, Chairman & Managing Director Mr.Ankur Vaid, Joint Managing Director & CEO Mr.Ravi Kapoor, Director Mr.Prakash Sajnani,Company Secretary
Relative of Key management personnel	Mrs. Manju Vaid Col.S.K.Vaid Mrs.Megha Vaid Mrs. Sonal Kumra
Joint Venture	Concord Biotech Japan K.K.

b. Transaction with related parties

(Rs. In Lacs)

Value of Transactions	Key Management Personnel		Relatives of Key Management Personnel		Joint Venture		Total	
	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
Managerial Remuneration	485.21	374.81	-	-	-	-	485.21	374.81
Salaries	25.73	22.89	67.95	53.13	-	-	93.68	76.02
Retainership Fees	21.96	21.96	-	-	-	-	21.96	21.96
Professional Fees	-	-	31.50	27.39	-	-	31.50	27.39
Rent Expenses	99.26	97.61	31.85	33.07	-	-	131.11	130.68
Director Sitting Fees	0.80	0.80	-	-	-	-	0.80	0.80
Sale of goods	-	-	-	-	1,972.55	-	1,972.55	-

Balances outstanding as at the reporting date	Key Management Personnel		Relatives of Key Management Personnel		Joint Venture		Total	
	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
Current Liabilities	25.40	22.35	6.38	5.38	-	-	31.78	27.73
Trade receivables	-	-	-	-	538.47	-	538.47	-

1. Outstanding balance at the year end are unsecured and interest free and settlement occures in cash.
2. Company has not provided any committment to the related party as at 31st March 2020 (P.Y 31st March 2019-Nil)

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Note 40
Segment reporting

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Bulk Drug business is identified as single operating segment for the purpose of making decision on allocation of resources and assessing its performance.

Geographical segment
Geographical segment is considered based on sales within India and outside India. In outside India, company separately disclosed sales to America and Others.

(Rs. In Lacs)

Particulars	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
i) Segment Revenue		
Revenue from Operations		
(a) Within India	26,156.47	24,927.14
(b) Outside India		
(i) America	7,980.58	7,215.87
(ii) Others	17,095.93	11,458.14
Total Revenue from Operations	**51,232.98**	**43,601.15**
ii) Non Current operating assets [*]:		
(a) Within India	39,570.61	26,253.13
(b) Outside India	-	-
(i) America	-	-
(ii) Others	-	-
(c) Unallocable	66.52	-
Total Non Current operating assets	**39,637.13**	**26,253.13**

[*] Other than Financial Assets

Information about major customers:
Revenue from major export and domestic customers is Rs. 17,242 Lakhs (Previous year Rs. 11674.01 Lakhs). Revenue from other individual customer is less than 10% of total revenue.

Note 41
Research & Development

The Company's facility is approved for Research & Development by Department of Science & Industrial Research (DSIR). The company has incurred expenditure of revenue nature on Research & Development, details of which are as under :

Particulars	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
Cost of Materials Consumed	132.86	104.23
Salaries & Wages	757.67	691.70
Power & Fuel	89.17	78.87
Depreciation	200.08	197.40
Others	597.87	645.26
Total	**1,777.65**	**1,717.46**

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Note 42

Disclosure Under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2019-20, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

Particulars	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)		
Principal amount due to micro and small enterprise	663.59	5.89
Interest due on above	3.33	-
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	3.33	-
(v) 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	-	-

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

Note 43

Covid-19 note

The Ministry of Home Affairs vide order No.40-3/2020 dated 24.03.2020 notified first ever nation-wide lockdown in India to contain the outbreak of COVID 19. Due to COVID-19 situation, there have been several restrictions imposed by the Governments across the globe on the travel, goods movement and transportation considering public health and safety measures. The Company's API & Formulation businesses has been classified as an 'essential commodity', at par with medical equipment/ medicine, food chain, etc. As of today, all production facilities in various parts of the country remains in operation, following enhanced internal safety guidelines. The Company maintains strategic safety stocks to ensure availability of raw materials and formulated products. During this period, the Company continued sales of their products and does not expect any material adverse impact at this point of time. Considering the liquidity position as at March 31, 2020 and expectation of cash generation from operations, the Company believes that it has ability to service debt and other financing arrangements during the current financial year.

Note 44

Approval of financial statements

The Company has paid Interim Dividend of Rs.39.25 per equity share of Rs.10 each fully paid on dated 2nd march 2020 by Circular resolution.The amount of Interim Dividend distributed is Rs.4500.20 lakhs including Dividend Distribution tax of Rs. 767.31 lakhs.

The Board of Directors in their meeting held on 8th September, 2020, proposed a final equity dividend of Rs. 6 per equity share of Rs. 10.00 each fully paid up for the financial year 2019-20.

The Financial Statement have been consider and approved by the Board of Director at their meeting held on 8th September,2020

For and on behalf of board of directors of
Concord Biotech Limited

DELOITTE HASKINS & SELLS
AHMEDABAD
CHARTERED ACCOUNTANTS

Sudhir Vaid [Din no: 00055967]
Chairman & Managing Director

Ankur Vaid [Din No : 01857225]
Joint Managing Director & CEO

Prakash Sajnani
Sr. GM-Finance & Company Secretary

PLACE : AHMEDABAD
DATE : 8th September,2020

Deloitte Haskins & Sells

Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT

To The Members of Concord Biotech Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Concord Biotech Limited ("the Holding Company") and the share of profit in its joint venture, which comprise the Consolidated Balance Sheet as at 31st March, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and joint venture referred to in the Other Matters section below, the aforesaid consolidated 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 Holding Company and its joint venture as at 31st March, 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity 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 specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Holding Company and its joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

- The Holding Company's Board of Directors is responsible for 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 but does not include the consolidated financial statements, standalone 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.

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- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the unaudited financial statements of joint venture furnished to us by the Management, to the extent it relates to this entity and 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. Other information so far as it relates to the joint venture, is traced from their unaudited financial statements of joint venture furnished to us by the Management.

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

Management's Responsibility for the Consolidated 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 financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Holding Company and its joint venture in accordance with the Ind AS and other accounting principles generally accepted in India. The Board of Directors of the Holding Company and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the Board of Directors of the Holding Company and of its joint venture are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Holding Company and of joint venture are also responsible for overseeing the financial reporting process of the Holding Company and its joint venture.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company, being the only company to which such requirements of the Act are applicable has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- 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 Holding Company and its joint venture 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 Holding Company and its joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the Holding Company and its joint venture 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 or business activities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

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.

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CHARTERED ACCOUNTANTS

Deloitte
Haskins & Sells

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

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

Other Matters

(a) The consolidated financial statements include the share of net profit of Rs. 14.96 lacs for the year ended 31st March, 2020, as considered in the consolidated financial statements, in respect of joint venture, whose financial statements have not been audited by us. This financial statements are unaudited and 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 this joint venture, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, this financial statements are not material.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements certified by the Management.

(b) Due to COVID-19 related lockdown we were not able to physically observe the physical verification of inventory that was carried out by the management of the Holding Company subsequent to the year end. Consequently, we have performed alternate procedures to audit the existence and condition of inventory the Holding Company as per the guidance provided in SA 501 "Audit evidence – Specific consideration for selected items" which includes inspection of supporting documentation relating to purchases, production, sales, results of count performed by the Management of the Holding Company through the year, and such other third party evidences where applicable and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Financial Statements. Our report is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and unaudited financial statements of the joint venture referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept, so far as it appears from our examination of those books and returns.

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c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows 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 financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company, being the only company to which such requirements of the Act are applicable as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company, is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding company being the only company to which such requirements of the Act are applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its joint venture.

   ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

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AHMEDABAD
CHARTERED ACCOUNTANTS

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

Kartikeya Raval

DELOITTE HASKINS & SELLS AHMEDABAD CHARTERED ACCOUNTANTS

Kartikeya Raval
Partner
(Membership No. 106189)

(UDIN: 20106189AAAAKM8108)

Place: Ahmedabad
Date: 26th October, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 31st March, 2020, we have audited the internal financial controls over financial reporting of Concord Biotech Limited (hereinafter referred to as "the Holding Company") being the only company to which such requirements of the Act are applicable, as of that date.

Management's Responsibility for Internal Financial Controls
The Board of Directors of the Holding company, being the only company to which such requirements of the Act are applicable, are 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 ("the 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 Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding 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") issued by the Institute of Chartered Accountants of India 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, being the only company to which such requirements of the Act are applicable.

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AHMEDABAD
CHARTERED ACCOUNTANTS

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 to the best of our information and according to the explanations given to us, the Holding 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 31st March, 2020, based on the criteria for internal control over financial reporting established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

DELOITTE HASKINS & SELLS
AHMEDABAD
CHARTERED ACCOUNTANTS

Kartikeya Raval

Kartikeya Raval
Partner
(Membership No. 106189)

(UDIN: 20106189AAAAKM8108)

Place: Ahmedabad
Date: 26th October, 2020

Concord Biotech Limited

Consolidated Balance sheet as at 31st March, 2020

(Amount Rs. in lacs)

Particulars	Notes	As at 31st March, 2020
ASSETS		
I. Non-current assets		
(a) Property, plant and equipment	5	23,631.30
(b) Capital work-in-progress	5	14,140.48
(c) Intangible assets	6	9.26
(d) Right-of use assets	7	319.54
(d) Financial assets		
(i) Investments		
(a) Investment in joint venture accounted using Equity method	8	81.48
(ii) Other financial assets	9	540.96
(e) Other non-current assets	10	1,470.03
(f) Non-Current tax assets (Net)		-
Total non-current assets (A)		**40,193.05**
II.Current assets		
(a) Inventories	11	11,123.16
(b) Financial assets		
(i) Investments	8	19,810.56
(ii) Trade receivables	12	18,350.50
(iii) Cash and cash equivalents	13	240.86
(iv) Other Bank balances	13	17.81
(v) Others	14	1,074.99
(c) Other current assets	15	3,261.57
Total current assets (B)		**53,879.45**
TOTAL ASSETS (A) + (B)		**94,072.50**
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	16	951.06
(b) Other equity	17	76,072.36
Total equity (A)		**77,023.42**
LIABILITIES		
I. Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	18	3,552.84
(ii) Leased Liabilities	7	293.45
(b) Long term provisions	19	159.40
(c) Deferred tax liabilities (net)	20 (b)	1,512.83
Total non-current liabilities (B)		**5,518.52**
II.Current liabilities		
(a) Financial liabilities		
(i) Borrowings	18	-
(ii) Trade payables:	21	
Due to micro and small enterprise		666.92
Due to other than micro and small enterprise		6,477.42
(iii) Leased liabilities	7	109.13
(iv) Other financial liabilities	22	1,979.29
(b) Short term provisions	19	28.40
(c) Other current liabilities	23	2,089.95
(d) Liabilities for current tax (net)		179.45
Total current liabilities (C)		**11,530.56**
TOTAL EQUITY AND LIABILITIES (A) + (B) + (C)		**94,072.50**

See accompanying Notes forming part of the Consolidated Financial Statements 1 to 47

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval

KARTIKEYA RAVAL
Partner

PLACE : AHMEDABAD
DATE : 26th October,2020

DELOITTE HASKINS & SELLS AHMEDABAD CHARTERED ACCOUNTANTS

For and on behalf of board of directors of Concord Biotech Limited

Sudhir Vaid [Din no: 00055967]
Chairman & Managing Director

Ankur Vaid

Ankur Vaid [Din No : 01857225]
Joint Managing Director & CEO

Prakash Lalchand

Prakash Sajnani
Sr.GM-Finance & Company Secretary

PLACE : AHMEDABAD
DATE : 8th September,2020

Concord Biotech Limited

Consolidated Statement of Profit and loss for the year ended 31st March, 2020

(Amount Rs. in lacs)

Particulars	Notes	For the Year Ended 31st March, 2020
INCOME		
Revenue from operations	24	51,232.98
Other income	25	3,136.67
Total Income		**54,369.65**
EXPENSES		
Cost of materials consumed	26	12,401.03
Purchases of stock-in-trade		1,077.87
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(485.13)
Employee benefits expense	28	6,224.39
Finance costs	29	69.82
Depreciation and amortization expense	30	2,124.58
Other expenses	31	11,608.13
Total Expenses		**33,020.69**
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		21,348.96
Share of Profit of Joint venture accounted using Equity method		14.96
PROFIT BEFORE TAX		21,363.92
TAX EXPENSE		
Current tax	20	5,447.00
Deferred tax	20	(1,000.19)
Short provision for tax of earlier years		5.80
		4,452.61
PROFIT FOR THE YEAR		**16,911.31**
Other Comprehensive income, net of taxes		
Items that will not be reclassified to the statement of Profit or Loss		
Re-measurement gains on defined benefit plans		(42.52)
Income tax relating to Items that will not be reclassified to Profit and Loss		
Re-measurement gains on defined benefit plans		10.70
OTHER COMPREHENSIVE INCOME FOR THE YEAR		**(31.82)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**16,879.49**
Profit for the year attributable to:		
Owners of the Company		16,911.31
Non-controlling interest		-
		16,911.31
Total Other Comprehensive Income / (Expense) for the year attributable to:		
Owners of the Company		(31.82)
Non-controlling interest		-
		(31.82)
Total Comprehensive Income for the year attributable to:		
Owners of the Company		16,879.49
Non-controlling interest		-
		16,879.49
Earnings per share (Nominal value per equity share of Rs. 10 each)		
Basic and diluted (Refer note 32)		177.82

See accompanying Notes forming part of the Consolidated Financial Statements 1 to 47

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval

KARTIKEYA RAVAL
Partner

PLACE : AHMEDABAD
DATE : 26th October,2020

DELOITTE HASKINS & SELLS AHMEDABAD CHARTERED ACCOUNTANTS

For and on behalf of board of directors of Concord Biotech Limited

Sudhir Vaid [Din no: 00055967]
Chairman & Managing Director

Ankur Vaid
Ankur Vaid [Din No : 01857225]
Joint Managing Director & CEO

Prakash Sajnani
Sr.GM-Finance & Company Secretary

PLACE : AHMEDABAD
DATE : 8th September,2020

Concord Biotech Limited

Consolidated Cash Flow Statement for the Year ended 31st March, 2020

(Amount Rs. in lacs)

Particulars	For the year ended 31st March, 2020
(A) CASH FLOW FROM OPERATING ACTIVITIES	
Profit before tax as per Statement of Profit and Loss	21,363.92
Adjustment to reconcile Profit before tax to net cash flows:	
Provision for Doubtful Debts (Net)	44.64
Bad Debt Written Off	17.43
Interest Income	(7.60)
Provisions no longer required written back	(8.71)
Depreciation and amortization	2,124.58
Net Unrealized exchange gain	292.88
Finance Cost	69.82
Profit on sale of fixed asset (Net)	(5.21)
Profit on sale of current investment	(2,340.07)
(Gain) / loss on fair value of current Investment	1,098.54
Mark to Market Gain	(59.65)
Operating Profit before Working Capital Changes	**22,590.57**
Working Capital Changes:	
(Increase)/Decrease in other non current financial assets	(738.73)
(Increase)/Decrease in Inventories	(1,951.42)
(Increase)/Decrease in trade receivables	(2,953.66)
(Increase)/Decrease in other current financial assets	(125.39)
(Increase)/Decrease in other current assets	(2,506.34)
	(8,275.54)
Adjustments for Increase/(Decrease) in operating liabilities	
Increase/(Decrease) in provisions	14.45
Increase/(Decrease) in trade payables	3,947.55
Increase/(Decrease) in other current liabilities	2,042.18
(Increase)/Decrease in other financial liabilities	100.34
	6,104.53
Cash generated from operations	**20,419.55**
Direct Taxes paid (Net of Income Tax refund)	(4,910.32)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**15,509.23**
Purchase of tangible and intangible assets	(15,650.19)
Proceeds from disposal of tangible and intangible assets	17.03
Purchase of Current Investment	(47,998.19)
Proceeds from Sale of Current Investment	52,362.65
Interest received	4.08
Purchase of Non Current Investment	(81.48)
Proceeds from Sale of Non-Current Investment	-
Net Cashflow from Deposits (Other bank Balances)	(46.69)
NET CASH USED IN INVESTING ACTIVITIES (B)	**(11,392.79)**

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS AHMEDABAD

Concord Biotech Limited A'BAD

Concord Biotech Limited
Consolidated Cash Flow Statement for the Year ended 31st March, 2020

(Amount Rs. in lacs)

Repayment of Long Term borrowings	(922.07)
Proceeds of Long Term borrowings	4,802.84
Repayment of Short Term borrowings	-
Dividend Paid (Including Tax on Proposed Dividends)	(8,054.50)
Finance Cost Paid	(29.04)
Repayment towards Lease Liabilities	(48.76)
NET CASH (USED IN) FINANCING ACTIVITIES (C)	**(4,251.53)**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	**(135.09)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**375.95**
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**240.86**

Reconciliation of Cash and cash equivalents with the Balance Sheet

Particulars	As at 31st March,2020
Cash and Cash Equivalents:	
Cash on hand	1.22
Balance with Banks	239.64
Cash and cash equivalents as per Balance Sheet (Refer Note 13)	240.86

Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2015 (as amended)

Particulars of liabilities arising from maturity of long term debt	Note No.	As at 31st March, 2019	Net cashflows	Non cash changes *	As at 31st March, 2020
Long term Borrowing including current maturity of long term debt	18 and 23	922.07	3,880.77	-	4,802.84
Interest accured on borrowings	22	7.98	(7.98)	-	-
Lease liability	7	-	(138.71)		402.58

* The same relates to amount charged in statement of profit and loss.
See accompanying notes forming part of the Consolidated fianncial statements

Previous year figures have been restated wherever necessary, to confirm to this year's classification.
The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval

KARTIKEYA RAVAL
Partner

PLACE : AHMEDABAD
DATE : 26th October,2020

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS AHMEDABAD

For and on behalf of board of directors of
Concord Biotech Limited

Sudhir Vaid [Din no: 00055967]
Chairman & Managing Director

Ankur Vaid [~~Din No~~ : 01857225]
Joint Managing Director & CEO

Prakash Lalchand
Prakash Sajnani
Sr.GM-Finance & Company Secretary

PLACE : AHMEDABAD
DATE : 8th September,2020

Concord Biotech Limited

Consolidated Statement of Changes in Equity for the year ended 31st March,2020

A. Equity Share Capital (Amount Rs. in lacs)

Particulars	No. of shares	Amount
Balance as at 31st March, 2019	95,10,564	951.06
Changes in equity share capital during the year	-	-
Balance as at 31st March, 2020	95,10,564	951.06

B. Other Equity (Amount Rs. in lacs)

Particulars	Reserves and Surplus			Total Equity
	Retained Earnings	General Reserve	Securities premium	
Balance at 1st April, 2019	56,085.38	2,921.78	8,292.19	67,299.35
Adjustment due to Ind AS 116 transition	(69.46)			(69.46)
Deferred tax assets transition	17.48			17.48
Profit for the year	16,911.31	-	-	16,911.31
Other comprehensive income	(31.82)	-	-	(31.82)
Total Comprehensive Income	**72,912.89**	**2,921.78**	**8,292.19**	**84,126.86**
Dividends	(6,681.17)	-	-	(6,681.17)
Tax on dividend	(1,373.33)	-	-	(1,373.33)
Balance as at 31st March, 2020	**64,858.39**	**2,921.78**	**8,292.19**	**76,072.36**

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval

KARTIKEYA RAVAL
Partner

PLACE : AHMEDABAD
DATE : 26th October,2020

DELOITTE HASKINS & SELLS AHMEDABAD CHARTERED ACCOUNTANTS

For and on behalf of board of directors
Concord Biotech Limited

Sudhir Vaid [Din no: 00055967]
Chairman & Managing Director

Ankur Vaid
Ankur Vaid [Din No : 01857225]
Joint Managing Director & CEO

Prakash Sajnani
Sr.GM-Finance & Company Secretary

PLACE : AHMEDABAD
DATE : 8th September,2020

Concord Biotech Limited

Notes to the Consolidated Financial Statements

1. Corporate Information

Concord Biotech Limited (the Company) is a public company domiciled in India and incorporated under the provisions of Companies Act, 2013. The Company is engaged in research and development, manufacturing, marketing and selling of active pharmaceutical ingredients, with focus on the fermentation, semi-synthesis and synthesis based products.

A formulation development & manufacturing facility at Valthera, located near Ahmedabad, India was commissioned in 2016 to manufacture pharmaceutical formulation product.

Company as part of its growth strategy in order to meet growing demand for its products and to commercialize new niche Biotech products has initiated the construction of new API Plant. It is being designed as per global regulatory standards to cater to worldwide market.

2. Statement of Compliance

2.1 Basis of Preparation of Consolidated Financial Statements

The Consolidated Financial Statements comprising of Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including other Comprehensive income, Consolidated Statement of changes in Equity and Consolidated Statement of Cash Flow as at March 31, 2020 have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2016. These financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities, which have been measured at fair value.

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.

The consolidated financial statements are presented in INR and all values are rounded to the nearest lacs in two digit, except where otherwise indicated.

2.2 Basis of consolidation

2.2.1 The consolidated financial statements comprise the financial statements of the Company and its Joint Ventures as at disclosed in note 2.2.5

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

2.2.3 The Company's investments in joint ventures are accounted for using the equity method. Under the equity method, the investment in a joint ventures is initially recognised at cost. The carrying amount of the

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investment is adjusted to recognise changes in the Company's share of net assets of the joint ventures since the acquisition date.

2.2.4 The aggregate of the Company's share of profit or loss of the joint ventures is disclosed on the face of the statement of profit and loss. The financial statements of the joint ventures are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

2.2.5 Details of Joint Ventures at the end of the reporting period which are considered in the preparation of the consolidated financial statements.

Name of Entity	**Principal Activity**	**Nature**	**Place of Incorporation**	**Proportion of ownership interest as at 31st March, 2020**
Concord Biotech Japan K.K.	Pharmaceutical	Joint Venture	Japan	50%

3. Basis of Preparation of Financial Statements

3.1. Basis of Preparation and Presentation

The financial statements have been prepared and presented under the historical cost convention on an accrual basis of accounting except for the following material items which have been measured at fair value.

- Derivative financial instrument
- Investments in Mutual Funds
- Defined benefit plan – plan assets measured at fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date.
In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3.2. Functional and Presentation Currency

The financial statements are presented in Indian Rupees, the currency of the primary economic environment in which the Company operates. All the amounts are rounded to the nearest rupee lacs.

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3.3. Use of estimates

The preparation of financial statements are in conformity with the recognition and measurement principles of Ind-AS which requires management to make critical judgments, estimates and assumptions that affect the reporting of assets, liabilities, income and expenditure.

Estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to the estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amount of assets and liabilities within the next financial year, is in respect of:

- Useful lives of property, plant and equipment (refer note no. 4.1)
- Impairment of intangible asset (refer note no. 4.8)
- Valuation of deferred tax assets (refer note no. 4.12)
- Valuation of Inventories (refer note no. 4.7)
- Provisions & Contingent Liabilities (refer note no. 4.10)
- Employee benefits (refer note no.4.9)
- Leases-Company as a leasee (refer note no. 4.5)

4. Significant accounting policies

4.1. Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and any accumulated impairment losses. The cost of fixed assets comprises of its purchase price, non-refundable taxes & levies, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing cost attributable to financing of acquisition or construction of the qualifying fixed assets is capitalized to respective assets when the time taken to put the assets to use is substantial.

When major items of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. The cost of replacement of any property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefit associated with the item will flow to the Company and its cost can be measured reliably.

Pre-operative expenditure comprising of revenue expenses incurred in connection with project implementation during the period up to commencement of commercial production are treated as part of the project costs and are capitalized. Such expenses are capitalized only if the project to which they relate, involve substantial expansion of capacity or upgradation.

Borrowing cost relating to construction of new API Plant which take substantial period of time to get ready for capitalization is included in capital work-in-progress.

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the Balance sheet date.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its use. Difference between the sales proceeds and the carrying amount of the asset is recognized in profit and loss.

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Freehold land is carried at historical cost and not depreciated. Depreciation on fixed assets is provided using straight line method (Except Vehicles which has been depreciation based on written down value method) based on useful life of the assets estimated by the management. The estimated useful lives, residual values and depreciation method are reviewed at each financial year-end and changes in estimates, if any are accounted for on a prospective basis.

The estimated useful lives of assets are as under:

Asset Category	Useful Life
Factory Building	30 years
Office Buildings	60 years
Plant and Machinery	20 years
Electric Installation	10 years
Laboratory Equipment	10 years
Computer	3 years
Office Equipment	5 years
Furniture & Fixtures	10 years

4.2. Intangible Assets

Intangible assets acquired separately are measured at cost of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses if any.

Intangible assets are amortized over the estimated useful life of three years which reflects the manner in which the economic benefit is expected to be generated. The estimated useful life of amortizable intangibles is reviewed at the end of each reporting period and change in estimates if any are accounted for on a prospective basis.

4.3. Foreign currency Transaction and Translation

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognized as income or expense of the period in which they arise. Monetary assets and liabilities denominated in foreign currency as at the balance sheet date are translated at the closing rate. The resultant exchange rate differences are recognized in the statement of profit and loss. Non-monetary assets and liabilities are carried at the rates prevailing on the date of transaction. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

4.4. Financial Instruments

Financial assets

Recognition of financial assets:

i. Debt instruments at amortized cost – A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

> The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

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> Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

ii. Equity investments – All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

iii. Mutual funds – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

iv. Investment in Joint Venture - Investment in Joint Venture is carried at cost in the financial statements.

De-recognition of financial assets

A financial asset is primarily de-recognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Recognition of financial liabilities

These liabilities include are borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.4.1. Derivative Financial Instruments

The Company enters into derivative financial instruments to manage its foreign exchange rate risk. Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately.

4.4.2. Cash and cash equivalents

Cash and cash equivalents consists of cash on hand, short demand deposits and highly liquid investments, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value. Short Term means investments with original maturities of three months or less from the date of investments. Bank overdraft that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

4.4.3. Investments

Investments in mutual funds are primarily held for the company's temporary cash requirements and can be readily convertible in cash. These investments are initially recorded at fair value and classified as fair value through profit or loss.

4.4.4. Trade Receivables

Trade receivables are amounts due from customers for sale of goods or services performed in the ordinary course of business. Trade Receivables are initially recognized at its transaction price which is considered to be its fair value and are classified as current assets as it is expected to be received within the normal operating cycle of the business.

4.4.5. Borrowings

Borrowings are initially recorded at fair value and subsequently measured at amortized costs using effective interest method. Transaction costs are charged to statement of profit and loss as financial expenses over the term of borrowing.

Borrowing costs that are directly attributable to the construction of New Plant at Kheda District are included in Capital work-in-progress as part of the cost of such assets, up to the date the assets are ready for their intended use.

4.4.6. Trade Payables

Trade payables are amounts due to vendors for purchase of goods or services acquired in the ordinary course of business and are classified as current liabilities to the extent it is expected to be paid within the normal operating cycle of the business.

4.4.7. Other Financial Assets and Liabilities

Other non-derivative financial instruments are initially recognized at fair value and subsequently measured at amortized costs using the effective interest method.

4.5. Application of New accounting pronouncement

4.5.1 Leases – Company as lessee

The Company has adopted Ind AS 116 – Leases effective April 1, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (April 1, 2019). Accordingly previous period information has not been restated.

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

a) the contract involves the use of identified asset

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b) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease and

c) the Company has the right to direct the use of the asset.

At the date of commencement of lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a team of twelve months or less (short-term leases) and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of lease.

The right-to-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct cost less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-to-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the lease assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

4.5.2 Amendment to Ind AS 12, Income Taxes

The Appendix C clarifies how to apply the re-cognition measurement principles while recognizing current tax, deferred tax, taxable profits (losses), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over tax treatments under Ind AS 12. As per appendix, the group needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment, which is being proposed to be used in its income tax filings. The clarification do not have any material impact on the financial statement of the Company.

The amendment clarifies that an entity shall recognize income tax consequences of dividends in profits or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. The clarification do not have any material impact on the financial statement of the Company.

4.5.3 Amendment to Ind AS 23, Borrowing Costs:

The amendment clarifies that an entity shall consider specific borrowings as general borrowing while calculating capitalization rate, once substantial activities necessary to prepare a qualifying asset for which specific borrowing was obtained is completed for its intended use or sale. The clarification do not have any material impact on the Financial Statement of the Company.

4.6. Current versus non-current classification

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The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification.

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

Operating cycle

Operating cycle of the company is the time between the acquisition of the assets for processing and their realization in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

4.7. Inventories

Inventories are carried at the lower of cost and net realizable value.

The cost incurred in bringing the inventory to their existing location and conditions are determined as follows:

a. Raw Material and Packing Material - Purchase cost of materials on FIFO basis.
b. Finished Goods (Manufactured) and work in progress - Cost of purchase, conversion cost, and other costs attributable to inventories.
c. Trading goods - Purchase cost on FIFO basis.

The cost of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recovered by the Company from taxing authorities), and transport, handling and other costs directly attributable to the bringing the inventory to their existing location and conditions. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sales.

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4.8. Impairment of Assets

Financial Assets

At each balance sheet date, the company assesses whether a financial asset is to be impaired. Ind AS 109 requires expected credit losses to be measured through loss allowance. The Company measures the loss allowance for financial assets at an amount equal to lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for financial assets at an amount equal to 12-month expected credit losses.

Non-financial Assets

Tangible and Intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the profit or loss to such extent. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, such that the increase in the carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4.9. Employee Benefits

4.9.1. Short term employee benefits

Short term benefits payable before twelve months after the end of the reporting period in which the employees have rendered service are accounted as expense in profit and loss account.

4.9.2. Long term employment benefits

Defined Contribution Plans

Contributions to defined contribution plans (leave encashment) are recognized as expense when employees have rendered services entitling them to such benefits.

Defined Benefit Plans

The Company's net obligation in respect of an approved gratuity plan, which is defined benefit plan, is calculated using the projected unit credit method and the same is carried out by qualified actuary. The current

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service cost and net interest on the net defined benefit liability (asset) is recognized in the statement of profit and loss. Past service cost are immediately recognized in the statement of profit and loss. Actuarial gains and losses net of deferred taxes arising from experience adjustment and changes in actuarial assumptions are recognized in other comprehensive income in the period in which they arise.

Compensated absences and earned leaves

The Company's current policy permit eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company expects to pay as a result of unused entitlement that has accumulated as at the reporting date. The expected cost of these benefits is calculated using the projected unit credit method by qualified actuary every year. Actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions are recognized in the statement of profit and loss in the period in which they arise. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

4.10. Provisions, contingent liabilities and contingent assets

Contingent liability:-

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the enterprise are disclosed as Contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

Contingent assets:-

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

Provisions:-

A provision is recognized when as a result of a past event, the Company has a present obligation whether legal or constructive that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the obligation is expected to be settled more than 12 months after the end of reporting date or has no definite settlement date, the provision is recorded as non-current liabilities after giving effect for time value of money, if material. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

4.11. Revenue recognition

Sale of Goods

Revenue is recognised for domestic and export sales when the Company transfers control over such products to the customer on dispatch from the factory and the port respectively.

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Rendering of services

Income from services Revenue from services are recognised as the related services are performed.

Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably

Export incentives

Export entitlements are recognised as income when right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Profit or loss on sale of Investments

Profit or Loss on sale of investments are recorded on transfer of title from the Company, and is determined as the difference between the sale price and carrying value of investment and other incidental expenses.

Insurance claims

Insurance claims are accounted for to the extent the Company is reasonably certain of their ultimate collection.

4.12. Income Taxes

Income tax expense comprises current and deferred tax expense. Income tax expenses are recognized in statement of profit or loss, except when they relates to items recognized in other comprehensive income or directly in equity, in which case, income tax expenses are also recognized in other comprehensive income or directly in equity respectively.

Current tax is the tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of reporting period by the governing taxation laws, and any adjustment to tax payable in respect of previous periods. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes arising from deductible and taxable temporary differences between the tax base of assets and liabilities and their carrying amount in the financial statements are recognized using substantively enacted tax rates and laws expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax asset are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to do the same.

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4.13. Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.14. Research and development

Revenue expenditure on research and development activities is recognized as expense in the period in which it is incurred.

4.15. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of these assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.15 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

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Note 5

Property, Plant and Equipment

(Amount Rs. in lacs)

Particualrs	Tangible Assets								
	Freehold Land	Building	Plant & Equipment	Laboratory Equipment	Office Equipment	Furniture and Fixtures	Computer	Vehicles	Total
Gross carrying amount as at 1st April, 2019	5,097.53	7,143.23	11,391.97	2,507.28	293.14	1,017.50	304.39	194.61	27,949.65
Additions during the year	336.58	210.36	1,690.22	205.72	4.55	33.99	80.06	137.07	2,698.55
Deductions during the year								98.23	98.23
Gross carrying amount as at 31st March, 2020	5,434.11	7,353.59	13,082.19	2,713.00	297.69	1,051.49	384.45	233.45	30,549.96
Accumulated depreciation as at 1st April, 2019	-	685.63	2,900.14	767.36	113.43	255.07	211.53	66.61	4,999.77
Depreciation for the year	-	248.03	1,189.07	282.79	54.69	106.61	72.38	51.75	2,005.32
Deductions during the year	-							86.42	86.42
Balance at 31st March, 2020	-	933.66	4,089.21	1,050.15	168.12	361.68	283.91	31.94	6,918.67
Carrying value as at 31-Mar-2020	5,434.11	6,419.93	8,992.98	1,662.85	129.57	689.81	100.54	201.51	23,631.30
Capital work-in-progress									14,140.48
Total									

Notes:

(1) Buildings includes Rs.100 (Previous year Rs. 100) being cost of shares of Bopal"444"Association.

(2) Depreciation for the year includes Rs. 200.08 lacs (Previous Year - Rs.197.40 lacs) for depreciation on Research & Development assets.

(3) Additions to Fixed Assets during the year include capital expenditure on Research & Development amounting to Rs. 190.07 lacs (Previous Year Rs. 135.63 lacs) Refer note-41. The details of the same are as under:

Particulars	For the Year Ended 31st March 2020
Factory Building	25.91
Plant & Machinery	27.08
Laboratory Equipment	114.34
Computer	9.41
Office Equipment	0.93
Furniture & Fixtures	12.40
Weighing Balance	-
TOTAL	190.07

(4) Details of property, plant and equipments which are hypothecated/mortgaged as security for borrowings are disclosed under note 18.

(5) The amount of capital commitments is disclosed in Note 34.

(6) Interest on Term Loan taken for Unit-3 Rs. 92.59 lacs is transferred to Capital work-in-progress.

Note 6
Intangible Assets

(Amount Rs. in lacs)

Particulars	Intangible Assets		
	Software	Technical Know-How	Total
Gross carrying amount as at 1st April, 2019	71.10	70.06	141.16
Additions during the year	4.80		4.80
Deductions during the year	-	-	-
Gross carrying amount as at 31st March, 2020	**75.90**	**70.06**	**145.96**
Accumulated amortisation as at 1st April, 2019	50.90	70.06	120.96
Amortisation for the year	15.74	-	15.74
Deductions during the year	-	-	-
Balance at 31st March, 2020	**66.64**	**70.06**	**136.70**
Carrying value as at 31st March, 2020	**9.26**	**0.00**	**9.26**

Note 7

Right-of use assets

(Amount Rs. in lacs)

Particulars	As at 31st March, 2020
Right-of use Assets	319.54
Total	319.54

Leased Liabilities

(Amount Rs. in lacs)

Particulars	As at 31st March, 2020
Leased Liabilities-Current	109.13
Leased Liabilities- Non Current	293.45
Total	402.58

A. For transition, The Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

On transition, The Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. The weighted average incremental borrowing rate of 9.90% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which The Company has chosen to apply the practical expedient as per the standard.

The Company has adopted modified retrospective approach as per para C8 (C) (i) of IND-AS 116, Leases to its leases effective from accounting period beginning from April 01, 2019 and recognised Right of Use assets and Lease Liability as on April 01, 2019 and difference between Right of Use Assets and Lease Liability, net of deferred tax amounting to Rs. 51.98 lakhs (Deferred Tax Rs. 17.48 lakhs) has been adjusted in retained earnings.

B. The Company has taken Office building and other warehouse on lease.

Disclosures as per Ind AS 116 - Leases are as follows:

The changes in the carrying value of ROU assets for the year ended on March 31, 2020 are as follows :

Particulars	Office Building	Warehouse	Total
Recognition of ROU Asset on account of adoption of Ind AS 116	390.25	12.22	402.47
Regrouping on account of adoption of Ind AS 116	-		
Additions during the year		20.59	20.59
Deletions/cancellation/modification during the year			
Depreciation	(97.56)	(5.96)	(103.52)
Balance at the end of the year	**292.69**	**26.85**	**319.54**

The aggregate depreciation expense on ROU assets is included under depreciation expense in the Statement of Profit and Loss.

D. **The movement in lease liabilities for the year ended on March 31, 2020 are as follows :**

Particulars	Office Building	Warehouse	Total
Recognition of lease liabilities on account of adoption of Ind AS 116	458.63	13.31	471.94
Additions during the year		20.59	20.59
Deletions during the year			
Finance cost accrued during the year	45.40	3.36	48.76
Payment of lease labilities	(131.11)	(7.60)	(138.71)
Balance at the end of the year	372.92	29.66	402.58

The break-up of current and non-current lease liabilities as on March 31, 2020 is as under :

Particulars	Office Building	Warehouse	Total
Current	103.36	5.77	109.13
Non Current	269.56	23.89	293.45
Total	372.92	29.66	402.58

E. The details of contractual maturities of lease liabilities as on March 31, 2020 on discounted basis are as follows:

Particulars	Office Building	Warehouse	Total
Less than one year	103.36	5.77	109.13
One to five years	269.56	23.89	293.45
More than five years			
Total	372.92	29.66	402.58

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

G. The amount recognised in the statement of profit or loss are as follows:

Particulars	Office Building	Warehouse	Total
Depreciation expense of right-of-use assets	97.56	5.96	103.52
Interest expense on lease liabilities	45.40	3.36	48.76
Rent expense - short-term lease and leases of low value assets	0.24	-	0.24
Total	143.20	9.32	152.52

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Note 8
Investments (Amount Rs. in lacs)

Particulars	No. of units as at 31st March, 2020	No. of units as at 31st March, 2019	As at 31st March, 2020
Non-Current			
(1) Investment in joint venture using Equity method (Unquoted)			
Investment in Equity instruments of Concord Biotech Japan (Unquoted 200 shares)			81.48
Total Investments at cost- Non current			**81.48**
Current			
(2) Financial assets at fair value through profit and loss (FVTPL) (Refer Note- 38)			
Investments in Mutual Funds at FVTPL- Units of Mutual Funds (Refer note- ii)			19,810.56
Edelweiss Arbitrage Fund - Regular Plan Growth	1,69,96,702	2,03,82,986	2,485.27
ICICI Prudential Equity Arbitrage Fund - Growth	53,21,649	1,73,16,927	1,378.93
Kotak Equity Arbitage Fund- Growth (Regular Plan)	54,19,947	2,08,94,926	1,520.18
Reliance Arbitrage Advantage Fund - Growth Plan	1,31,10,327	1,01,05,248	2,636.91
Reliance Liquid Fund - Growth Plan - Growth Option	-	35,759	-
Axis Liquid Fund -Direct Growth	-	68,397	-
L&T Liquid fund - Regular Growth	-	23,742	-
Aditya Birla Sun Life Credit Risk Fund Growth Regular (Formerly Known as Aditya Birla Sun Life Corporate Bond)	60,56,568	60,56,568	875.77
Axis Strategic Bond Fund - Growth	11,61,353	11,61,353	227.13
Franklin India Short Term Income Plan - Retail Plan	21,282	21,282	815.42
ICICI Prudential Saving Fund - Growth	1,16,856	1,16,856	452.64
Kotak Low Duration Fund Standard Growth (Regular Plan)	18,324	18,324	451.56
Reliance Prime Debt Fund - Growth Plan - Growth Option	5,36,413	5,36,413	226.25
Sbi Credit Risk fund - Regular- growth	28,16,336	28,16,336	892.94
Kotak Equity Saving Fund - Growth (Regular Plan)	74,83,630	74,83,630	999.74
Franklin India Liquid Super Instl Gr	63,665	-	1,891.12
IDFC Arbitrage - Growth	1,48,14,627	-	3,655.73
SBI Overnight Fund - Growth	40,346	-	1,300.97
Total Investments at FVTPL- Current			**19,810.56**

(i)	Aggregate value unquoted investments	81.48
(ii)	Aggregate NAV of investment in mutual funds	19,810.56
(iii)	Aggregate impairment in value of investment	-

Note 9
Other financial assets (Amount Rs. in lacs)

Particulars	As at 31st March, 2020
Unsecured, considered good unless otherwise stated	
Non- current	
Security deposits	44.56
Term Deposits with maturity more than 12 months (Refer note below)	66.63
Other Receivables	429.77
Total	**540.96**

Note: Lodged as margin money against Bank Guarantees and other Commitments

Note- 10
Other non current assets (Amount Rs. in lacs)

Particulars	As at 31st March, 2020
Unsecured, considered good unless otherwise stated	
Capital advances	1,470.03
Total	**1,470.03**

Note 11
Inventories **(Amount Rs. in lacs)**

Particulars	**As at 31st March, 2020**
(At lower of Cost and Net Realizable Value)	
(a) Raw materials	6,114.70
(b) Work-in-progress	3,912.05
(c) Finished goods - Including Goods in transit (C.Y. Nill , P.Y. 389.56 Lakhs)	508.87
(d) Fuel	30.41
(e) Stores & Spares	43.80
(f) Stock in Trade	513.33
Total	**11,123.16**

Inventories are hypothecated as Security for Borrowings as disclosed under Note-18.

Inventory write down are accounted, considering the nature of inventory, ageing and net realisable value Rs. 40.09 lacs (March, 2019 Rs. 45.06 lacs). The changes in write downs are recognised as an expense in the statement of Profit and loss.

Note 12
Trade receivables **(Amount Rs. in lacs)**

Particulars	**As at 31st March, 2020**
Unsecured, Considered good	18,350.50
Unsecured, Considered doubtful	115.55
Less:- Allowance for doubtful trade receivables	115.55
Total	**18,350.50**

(i) **Movements in the expected credit loss allowance :**

Opening balance	81.38
Add / (less) : Provision made / (reversed) during the year	44.64
Less: Provision used during the year	10.47
Closing balance	115.55

(ii) The fair value of trade receivables is not materiality different from carrying value presented.

(iii) Trade Receivables are given as Security for Borrowing as disclosed under Note-18.

(iv) Trade Receivables are non interest bearing and are generally on terms of 30 to 90 days credit.

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Note 13

Cash and cash equivalents

(Amount Rs. in lacs)

Particulars	As at 31st March, 2020
Cash and cash equivalents	
Cash on hand	1.22
Balance with Banks	
Current accounts	239.64
In EEFC account	
Total cash and cash equivalents	**240.86**
Other bank balances	
Term Deposits with Maturity more than 3 months but less than 12 months (Refer note below)	**17.81**

Note: Lodged as margin money against Bank Guarantees and other Commitments

Note 14

Other financials assets

(Amount Rs. in lacs)

Particulars	As at 31st March, 2020
Unsecured, considered good unless otherwise stated	
Current	
Export Incentive Receivable	869.24
Interest Accured but not due on deposits	4.63
Derivative financial instruments	91.28
Insurance claims	7.10
Security Deposit	26.48
Other Receivables	76.26
Total	**1,074.99**

Note 15

Other current assets

(Amount Rs. in lacs)

Particulars	As at 31st March, 2020
Unsecured, considered good unless otherwise stated	
Advance to Supplier	178.48
Balances with indirect tax authorities	2,287.87
Prepaid expenses	402.27
Income Tax Refund Receivable	380.39
Advances to Employees	12.56
Total	**3,261.57**

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Note 16
Equity Share Capital

(Amount Rs. in lacs)

Balance	As at 31st March, 2020
Authorised 10,000,000 (Previous Year - 10,000,000) equity shares of Rs. 10/- each with voting rights	1,000.00
	1,000.00
Issued, Subscribed and fully paid-up 95,10,564 (Previous Year - 95,10,564) equity shares of Rs. 10/- each fully paid up with voting rights	951.06
	951.06

(i) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year:

Particular	As at 31st March, 2020	
	Numbers	Rs. In Lacs
As at the beginning of the year	95,10,564	951.06
Issued during the year	-	-
Outstanding at the end of the year	**95,10,564**	**951.06**

(ii) Terms/rights attached to equity shares with voting rights
The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The dividend propsed by the Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting.

(iii) Details of shareholders holding more than 5% shares in the company

	As at 31st March, 2020	
	No. of shares	% Holding
Equity Shares of Rs. 10 each fully paid		
Mr. Sudhir Jairam Vaid	27,42,684	28.84%
Helix Investment Holdings Pte Limited, Singapore	19,02,332	20.00%
Mrs. Manju Sudhir Vaid	9,07,944	9.55%
Nishtha Jhunjhunwal Disc Trust	7,63,612	8.03%
Aryavir Jhunjhunwal Disc Trust	7,63,614	8.03%
Aryaman Jhunjhunwal Disc Trust	7,63,614	8.03%
M/s. Ontario Inc.	5,12,776	5.39%

In the period of five years immediately preceding 31st March 2020:

i) The Company has not allotted any equity shares as fully paid up without payment being received in cash.
ii) The Company has not allotted any equity shares by way of bonus issue.
iii) The Company has not bought back any equity shares.

Note 17
Other Equity

(Amount Rs. in lacs)

Balance	As at 31st March, 2020
Reserve and Surplus	
Retained Earnings	64,858.39
General Reserve	2,921.78
Securities premium	8,292.19
Total	**76,072.36**

Nature and purpose of reserves:

General reserve — The general reserve is used from time to time to transfer profits from retained earnings for propriation purposes. There is no policy of regular transfer. Items included under General Reserve shall not be reclassified back into the Statement of Profit & Loss .

Retained Earning — Retained Earnings : Retaned Earnings are the profits that the company has earned till date less any transfer to general reserve, dividends and other distributions to shareholder.

Securities Premium — This reserves represents Security Premium received at the time of issuance of Equity Shares.

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Note 18
Borrowings

(Amount Rs. in lacs)

Particulars	As at 31st March, 2020
Non-current interest bearing borrowing	
Secured at amortised cost	
Term Loan	3,552.84
Total	**3,552.84**

Note :
The Company has availed Term Loan from State Bank of India. Term Loan of Rs.100 Crores is secured by first charge on Factory Land & Building and Plant & MAchinery of Unit-III at Limbasi, Dist. Kheda, (Survey No. 666,667,668 and 84 at Village MAlavada and Survey No. 94A,94B,119,120,126,135 and 136 at Ranasar) and charge on the same has been created. Interest rate is 3 months MCLR + 0.20% p.a and loan is repayable in 16 quarterly instalments of RS.6.25 crores each starting from October,2020.

Note 19
Provisions
Long Term Provisions

(Amount Rs. in lacs)

Particulars	As at 31st March, 2020
Provisions for compensated absences	159.40
Total	**159.40**

Short term provisions

(Amount Rs. in lacs)

Particulars	As at 31st March, 2020
Provision for Compensated Absences	10.69
Provision for Gratuity (Refer Note : 36)	17.71
Total	**28.40**

Note 20
Income taxes
The major component of income tax expense for the years ended 31st March, 2020 are as follows:

Particulars	Year ended 31st March, 2020
Statement of Profit and Loss	
Current income tax	5,447.00
short provision related to earlier years	5.80
Deferred tax expense	(1,000.19)
Income tax expense in the Statement of Profit and Loss	**4,452.61**
Statement to Other comprehensive income (OCI)	
Tax expense related to items recognised in OCI during the year	
Remeasurement gain of defined benefit plan	(10.70)
Income tax credit recognised in OCI	**(10.70)**

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Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2020

(a) Current tax

Particulars	Year ended 31st March, 2020
Accounting profit before tax	21,348.96
Tax Rate	25.168%
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	5,373.11
Adjustment	
Tax impact in income charged under capital gain	(351.98)
Exempt income - long term capital gain on sale of mutual fund investment	
Deduction on account of expenses allowable in tax but not claimed in book	(512.25)
Expenditure not deductible under tax	661.64
Tax impact on notional (income) / expense	276.48
Excess/Short provision related to earlier year	5.80
Changes in recognised deductable temporary differences	(1,000.19)
Total income tax expense	4,452.61
Effective tax rate	20.86

In September 2019, the Government of India promulgated the Taxation Laws (Amendment) Ordinance 2019, announcing major slashes to the corporate tax rates in the Income Tax Act, 1961. The existing Companies were provided an option to pay tax at a oncessional rate of 22% (plus Surcharge/Cess), with consequential surrender of specified deductions/incentives. The Company opted for the new scheme, which resulted in the reduction of total tax outgo.

(b) Deferred tax

The Company has accrued significant amounts of deferred tax. Significant components of Deferred tax (assets) & liabilities recognized in the financial statements of the Company as follows:

Particulars	As at 31st March, 2020
Deferred tax liabilities	
Depreciation and amortization	1,423.96
Fair Valuation of Investment in mutual funds	148.12
Total	1,572.08
Deferred tax assets	
Provision for employee benefit expense	29.14
Long term loss carried forward	-
Provision for doubtful debts	8.60
Provision for MSME	0.62
Leased liability Transition	20.89
Total	59.25
Deferred Tax liabilities	1,512.83
Total	1,512.83

Movement of deferred tax liabilities / (assets) during the year:

Particulars	As at 31st March, 2020
Deferred tax liabilities / (assets) in relation to:	
Depreciation, amortization and impairment	(596.12)
Fair Valuation of Investment in mutual funds	(441.41)
Provision for employee benefit expense	(4.87)
Long term loss carried forward	23.63
Provision for doubtfull debts	11.93
Provision for MSME Interest	(0.62)
Leased liability Transition	(3.41)
Deferred tax expense	**(1,010.87)**

There are certain income-tax related legal proceedings which are pending against the Company. Potential liabilities, if any have been adequately provided for, and the Company does not currently estimate any probable material incremental tax liabilities in respect of these matters. Refer note 34 (ii)
The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Company has opted lower rate of income tax and deferred tax for 31st March, 2020 has been recognised as per revised rate of tax.
Deferred tax impact on transition to Ind AS 116 has been recognised in opening balance of retained earnings.

Note 21
Trade Payables (Amount Rs. in lacs)

Particulars	As at 31st March, 2020
Due to micro and small enterprise (Refer note : 42)	666.92
Due to others	6,477.42
Total	7,144.34

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Note 22
Other financial liabilities

(Amount Rs. in lacs)

Particulars	As at 31st March, 2020
Current Maturities of Long-term Debt (Refer Note- 18)	1,250.00
Interest accrued but not due on borrowings	0.00
Payables for employee benefits	610.84
Security Deposits	10.00
Payable on purchase of Fixed Assets	108.45
Total	**1,979.29**

Note 23
Other current liabilities

(Amount Rs. in lacs)

Particulars	As at 31st March, 2020
Payable to Statutory and other authorities	116.56
Advance from customers	1,973.39
Total	**2,089.95**

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Note 24

Revenue From Operations

(Amount Rs. in lacs)

Particulars	**For the Year Ended 31st March,2020**
Sale of products -Refer Note Below :	49,818.03
Sale of Services	-
	49,818.03
Other Operating Income	
Export benefits	1,414.95
	1,414.95
Total	**51,232.98**

Disaggregate revenues from contracts with customers based on geography for the year ended 31st March, 2020

(Amount Rs. in lacs)

Particulars	**For the Year Ended 31st March,2020**
Domestic	26,156.47
Export	25,076.51
Total	**51,232.98**

Reconciliation of Revenue from operations with contract price:

(Amount Rs. in lacs)

Particulars	**For the Year Ended 31st March,2020**
Contract Price	52,648.95
Less : Adjustment made to contract price on account of:	
Sales Return	(1,027.21)
Others - rate difference	(388.76)
Total	**51,232.98**

Note 25

Other Income

Particulars	**For the Year Ended 31st March,2020**
Interest income	
From Bank	4.09
On income tax Refund	3.52
Net gain on sale of investments	2,340.07
Net foreign exchange gain	735.70
Gain on FV of investment in mutual fund	-
Insurance claim Received	0.41
Miscellaneous income	28.48
Excsess provision no longer required	8.71
Provision for Doubtful Advances of earlier years no longer required	-
Provision for Doubtful Debts of earlier years no longer required	10.48
Profit on sale of fixed assets (net)	5.21
Total	**3,136.67**

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Note 26
Cost of materials consumed

Particulars	**For the Year Ended 31st March,2020**
Opening Stock	4,201.48
Add: Purchases	14,314.25
	18,515.73
Less: Closing stock	6,114.70
Total	**12,401.03**

Note 27
Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	**For the Year Ended 31st March,2020**
Opening stock	
Finished goods	234.98
Stock-in-trade	519.89
Work-in-progress	3,716.48
	4,471.35
Less : Closing stock	
Finished goods	531.10
Stock-in-trade	513.33
Work-in-progress	3,912.05
	4,956.48
Net (increase) in stock	**(485.13)**

Note 28
Employee benefits expense

Particulars	**For the Year Ended 31st March,2020**
Salaries, wages and bonus	5,743.53
Contribution to provident and other funds	364.18
Staff welfare expenses	116.68
Total	**6,224.39**

Note 29
Finance costs

Particulars	**For the Year Ended 31st March,2020**
Interest expense	21.06
Interest Expense-leased liabilities (Refer Note 7)	48.76
Total	**69.82**

Note 30
Depreciation and amortization

Particulars	**For the Year Ended 31st March,2020**
Depreciation for the year on tangible assets(Refer Note 5)	2,005.32
Amortization for the year on intangible assets (Refer Note 6)	15.74
Amortization for the year on right of use assets (Refer Note 7)	103.52
Total	**2,124.58**

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Note 31
Other expenses

Particulars	For the Year Ended 31st March,2020
Other than those included in pre-operative expense	
Manufacturing Expense	
Power & Fuel Consumed	3,730.36
Consumption of stores and spare parts	751.82
Laboratory Expenses	991.75
Effluent Treatment Plant	333.05
Repairs & Maintenance - Plant & Machinery	176.83
Repairs & Maintenance - Buildings	167.98
Repairs & Maintenance - Others	469.57
Safety & Environment Charges	38.30
Testing Fees	110.03
TOTAL MANUFACTURING EXPENSES	**6,769.69**
Administrative expense	
Rates & Taxes	370.27
Insurance Expense	94.10
Bank Charges	46.89
Travelling and conveyance	554.28
Postage, Telegram and stationery	80.30
Audit Fees (Refer Note-33)	11.00
Legal & Professional Fees	364.26
Directors Sitting Fee	3.20
Bad Debt written off	17.43
Provision for Doubtful Debt	44.64
Donation	0.50
Security Service Charges	85.54
Miscellaneous Expense	119.01
Communication Expense	27.25
Membership & Subscription	21.00
Rent Expense (Refer Note 7)	0.24
Corporate Social Responsibilies Expense (Refer Note-35)	286.54
Loss on Fair Market value of Investments	1,098.54
Computer Maintanance	53.18
TOTAL ADMIN EXPENSES	**3,278.17**
Selling & Distribution Expenses	
Export Expenses	276.62
Freight and forwarding	146.96
Commission Expenses	710.02
Samples, Sales Promotion and Advertisement Expenditure	426.67
TOTAL SELLING EXPENSES	**1,560.27**
TOTAL	**11,608.13**

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Note 32

Earnings per share **(Amount Rs. in lacs)**

Particulars	**As at 31st March, 2020**
Basic and Diluted EPS	
Profit attributable to equity shareholders	16,911.31
Weighted average number of equity shares outstanding during the year	95,10,564
Nominal Value of equity share	10.00
Basic and Diluted EPS	177.82

Note 33

Auditors Remuneration **(Amount Rs. in lacs)**

Particulars	**As at 31st March, 2020**
Audit Fees	11.00
Other services	2.01
Reimbursement of expense	-
	13.01

Note 34

(i) Commitments and Contingencies **(Amount Rs. in lacs)**

Particulars	**As at 31st March, 2020**
Estimated amount of contracts remaining to be executed on capital account and not provided for in respect of the Tangible Assets (Net of Advances)	8,996.56
	8,996.56

(ii) Contingent liabilities **(Amount Rs. in lacs)**

Particulars	**As at 31st March, 2020**
Claims against the company / disputed liabilities not acknowledged as debts:	
Disputed demand of Excise duty for which an appeal has been preferred	379.37
Disputed demand of Income Tax	9.43

Notes:

(a) It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending litigations of the respective proceedings.

(b) The Company does not expect any reimbursements in respect of the above contingent liabilities.

(c) The Company believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations. These demands are with respect to income tax and service tax matters for which appeals have been filed.

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Note 35
Corporate Social responsibilities
(a) The Company is required to spend Rs. 299.90 lacs, (31st March, 2018 Rs. 285.39 lacs) on CSR activities under section 135 of the Act.
(b) Amount spent towards CSR actities during the year are as follows:

(Amount Rs. in lacs)

Sr. No.	Sector and Project	Year ended 31st March, 2020
1	Wokhardt foundation for Health care activities	39.62
2	Support during Covid-19 Pendamic	1.44
3	Calender Event spreading awearness	5.12
4	Holistic Development Program and scholarship for educational activites	31.83
5	Kidney Foundation & Hospital	18.94
6	Patient care Program	6.06
7	Scholarship Program	9.53
8	Environment Sustainability	12.98
9	Others- Promoting Education and spreading Awareness	145.68
10	Indian Renal Foundation	-
11	Shree Jagannath Cultural Academy	-
12	Blood donation camp at Dholka	1.71
13	Parashar Foundation (Organ India)	-
14	Chandigarh Kidney Foundation - awareness about Kidney disease	-
15	Surbhi Meditek-Machine for Nagpal Kidney & Super Speciality Hospital	-
16	Janki Hospital Aurangabad for poor Hemodialysis patients	-
17	Janki Hospital - ECG machine	-
18	Apex Kidney Foundation	-
19	Shree Printstop - leaflet for World Kidney Day	-
20	Amar Gandhi Foundation	-
21	Entertainment Network India- Advertisement in Radio about World Kidney Day	-
22	Giftiia consultancy - patient education kit	-
23	Admin Overheads	13.63
Total		**286.54**

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Note 36
Defined Benefit Plan
A) Defined contribution plans:
The Company makes contributions towards provident fund, a defined contribution retirement benefit plan for qualifying employees. The provident fund is operated by the Regional Provident Fund Commissioner. The Company recognized Rs. 256.48 lacs (Previous Year Rs. 214.07 lacs) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

B) Defined benefit plans:
Actuarial Valuation for Compensated Absences is done as at the year end and the provision is made as per Company rules with corresponding charge to the Statement of Profit and Loss amounting to Rs. 54.78 lacs (Previous Year Rs. 48.22 lacs) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

The company makes annual contributions to the Employee's Group Gratuity cash accumulation scheme of the LIC, a funded defined benefit plan for qualifying employees. The Scheme provides for payment to vested employees at retirement/death while in employment or on termination of employment as per the provisions of the Gratuity Act, 1972. Vesting occurs on completion of 5 years of service. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method as per actuarial valuation carried out at the balance sheet date.
The following table sets out the status of the gratuity plan as required under IND AS-19 and the amounts recognized in the Company's financial statements as at 31st March, 2020:

(Amount Rs. in lacs)

Particulars	As at 31st March, 2020
i. Reconciliation of Opening and Closing Balances of defined benefit obligation	
Liability at the beginning of the Year	276.59
Current Service Cost	61.68
Interest Cost	21.52
Benefit paid	(3.99)
Net Actuarial losses (gain) Recognized	35.95
Liability at the end of the Year	391.75

ii. Reconciliation of Opening and Closing Balances of the Fair value of Plan assets	As at 31st March, 2020
Plan assets at the beginning of the Year, at Fair value	283.57
Expected return on plan assets	22.06
Contributions	78.97
Benefit paid	(3.99)
Actuarial gain/(loss) on plan assets	(6.57)
Plan assets at the end of the Year, at Fair Value	374.04

iii. Reconciliation of the Present value of defined benefit obligation and Fair value of plan assets	As at 31st March, 2020
Obligations at the end of the Year	391.75
Plan assets at the end of the Year, at Fair value	374.04
Liability recognized in balance sheet at the end of the Year	17.71

iv. Expense recognised in the statement of profit and loss for the year	As at 31st March, 2020
Current Service Cost	61.68
Interest Cost	21.52
Expected returns on plan assets	(22.06)
	61.14

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v. Expense recognised in the other comprehensive income for the year	As at 31st March, 2020
Acturial (gain)/loss on obligation for the period	35.95
Return on planned asset, excluding Interest Income	6.57
	42.52

vi. Actuarial Assumptions	As at 31st March, 2020
Discount Rate (per annum)	6.82%
Expected rate of return on plan assets	6.82%
Salary Escalation	7.00%
Attrition Rate	2.00%
Weighted average duration of defined benefit obligation	13 Years
Retirement Age	60 Years
Mortality Tables	Indian Assured Lives Mortality (2006-08) Ultimate

* The discount rate is based on the prevailing market yields of government of India securities as at the balance sheet date for the estimated term of the obligations.
**Expected rate of return on plan assets is determined based on the nature of assets and prevailing economic scenario.
*** The estimate of future salary increases considered, takes into account inflation, seniority, promotion, increments and other relevant factors.

vii. Sensitivity Analysis for each significant actuarial assumption

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	As at 31st March, 2020
Projected Benefit Obligation on Current Assumptions	**391.75**
Impact of increase in discount rate by 1 %	(42.36)
Impact of decrease in discount rate by 1 %	50.64
Impact of increase in salary escalation rate by 1 %	47.19
Impact of decrease in salary escalation rate by 1 %	(40.63)
Impact of increase in employee turnover rate by 1 %	(1.97)
Impact of decrease in employee turnover rate by 1 %	1.94

viii.Expected contribution for the next year

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

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

viii.Investment details of plan assets:
The plan assets are managed by Insurance Company viz Life Insurance Corporation of India who has invested the funds substantially as under:

	As at 31st March, 2020
Insurance Fund - investment in LIC policy	374.04
	374.04

ix.Maturity Profile

	As at 31st March, 2020
1st Following Year	27.58
2nd Following Year	7.54
3rd Following Year	13.36
4th Following Year	10.93
5th Following Year	19.89
Sum of Years 6 to 10	136.98
Sum of Years 11 and above	839.61

x. Expected contribution during the next annual reporting period
The company's best expected contribution during the next year is Rs.102.73 lacs.

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Note 37

The Company has taken various derivatives to hedge its risk associated with foreign exchange

These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging Forward exchange contracts and futures (being derivative instruments), which are not intended for trading or speculative purposes but for hedge purposes are entered,which are available at the settlement date of certain payables and receivables.

Nature	As at 31st March, 2020	
	Amount (in Lacs)	Amount (Rs. in Lacs)
Hedging of Trade Receivables Forward Contracts	USD 38.540	2,832.11

The details of foreign currency exposures not hedged by derivative instruments are as under:

Nature	As at 31st March, 2020	
	Amount (in Lacs)	Amount (Rs. in Lacs)
Trade Receivable	USD 47.40 EURO 2.96 JPY 773.30	3,670.23 244.88 538.47
Advance from customer	USD 0.09	6.80
Advance to Supplier	USD 0.21 EURO 2.11	15.70 174.91
Trade Payable	USD 48.54 EURO 0.05	3,672.97 3.97

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Note 38
Financial Instrument

(i) **Financial assets and liabilities**
Categories of Financial instruments

(Amount Rs. in lacs)

Particulars	As at 31st March, 2020
	Fair Value
Financial Assets :	
Cost	
Investment in Joint Venture using Equity method	81.48
Amortised cost	
Cash and Cash equivalents	240.86
Bank deposits other than cash and cash equivalent	17.81
Trade receivables	18,350.50
Other Financial Assets	1,524.67
Fair value through profit or loss	
Investments in Mutual Funds	19,810.56
Derivative instruments	91.28
Total	**40,117.16**

Financial Liabilities :	
Amortised cost	
Borrowings	4,802.84
Trade payables	7,144.34
Other Financial Liabilities	729.29
Lease Liability	402.58
Total	**13,079.05**

(ii) **Fair value hierarchy :**

The fair values of the financial assets and liabilities are determined based on the price that would be received to sell an asset or paid to transfer a liability at the reporting date considering the fair value hierarchy as under:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize 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, contingent consideration and indemnification asset included in level 3.

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Fair value hireracy
The following tables categorise the financial assets and liabilities held at fair value by the valuation methodology applied in determining their fair value.

As at 31-Mar-2020	Level 1	Level 2	Level 3	Total
Financial Assets :				
Mutual Funds	19,810.56	-	-	19,810.56
Derivative financial assets	-	-	91.28	91.28
Total	**19,810.56**	**-**	**91.28**	**19,901.84**

Determination of fair values:

The following are the basis of assumptions are used to estimated the fair value of financial assets and liabilities that are measured at fair value on recurring basis :

Cash and cash equivalents: approximates to the carrying amount
Trade receivables and payables: approximates to the carrying amount
Investment in Mutual Funds: The fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.
Borrowings: approximates to the carrying amount
Derivative instruments: For forward contracts,future cashflows are estimated based on forward exchange rates and forward interest rates (from observable forward exchange rates / yield curves at the end of the reporting period) and contract forward exchange rates and forward interest rates, discounted at a rate that reflects the credit risk of various conterparties.

Other financial assets and liabilities: approximates to the carrying amount

(iii) Financial Risk Management

The Company's activities are exposed to variety of financial risks. These risks include market risk (including foreign exchange risk and interest rate risks), credit risks and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company through established policies and processes which are laid down to ascertain the extent of risks, setting appropriate limits, controls, continuous monitoring and its compliance.

A Market Risk :
Market risk refers to the possibility that changes in the market rates may have impact on the Company's profits or the value of its holding of financial instruments. The Company is exposed to market risks on account of foreign exchange rates, interest rates and underlying equity prices.

A1 Foreign currency exchange rate risk :
The Company's foreign currency risk arises from its foreign currency transactions and foreign currency borrowings. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the company.

The overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

The major foreign currency exposures for the Company are denominated in USD. Additionally, there are transactions which are entered into in other currencies and are not significant in relation to the total volume of the foreign currency exposures. The Company hedges some trade receivables and future cash flows upto a maximum of 6 months forward based on historical trends, budgets and monthly sales estimates.

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The following table sets forth information relating to foreign currency exposure from non-derivative financial instruments:

As at 31-Mar-20	US Dollars	Others*	Total
Assets :			
Cash and cash equivalents	-	-	-
Trade and other receivables	3,670.23	783.35	4,453.58
Advance to Suppliers	15.70	-	15.70
Total	**3,685.93**	**783.35**	**4,469.28**
Liabilities :			
Borrowings	-	-	-
Trade and other payables	3,672.97	3.97	3,676.94
Advance from customer	6.80		6.80
Other liabilities	-	-	-
Total	**3,679.77**	**3.97**	**3,683.74**
Net Balance (Assets - Liabilities)	**6.16**	**779.38**	**785.54**

*Others mainly includes currencies namely Euro and Japanese Yen.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD rates to the functional currency of entity, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	Changes in USD rate	Effect on profit and loss
March 31, 2020	+2% -2%	0.09 -0.09

A2 Interest rate risk :

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company is exposed to fluctuations in interest rates in respect of term loan carrying a floating rate of interest. In respect of term loan, the Company has outstanding borrowing of Rs.48.03 crores. There is no interest rate risks associated with term loan and hence interest rate sensitivity has not been performed.

Interest rate risk Analysis

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company is exposed to fluctuations in interest rates in respect of term loan carrying a floating rate of interest. In respect of term loan, the Company has outstanding borrowing of Rs.48.03 crores. The following table demostrates the sensitivity to a reasonable possible change on interest rates on that postion of borrowing afffected. with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate of borrowing as follows:

(Amount Rs.in Lakhs)

Particulars	Effect on Profit before tax	
	31st March 2020	31st March 2019
Increase in 50 basis points	(24.01)	(4.61)
Decrease in 50 basis points	24.01	4.61

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B Credit Risk :

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk materially consists of trade receivables and derivative financial instruments.

All trade receivables are subject to credit risk exposure. The Company trades with recognized and credit worthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Company's exposure to bad debts is not significant.The Company does not have significant concentration of credit risk related to trade receivables.

With respect to Derivatives, the Company's forex management policy lays down guidelines with respect to exposure per counter party i.e. with banks with high credit rating, processes in terms of control and continuous monitoring. The fair value of the derivatives are credit adjusted at the period end.

C Liquidity Risk :

Liquidity risk refers to the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity.

Contractual maturities of significant financial liabilities are as below:

As at 31-Mar-20	Due in Year 0 to 1	Due in Year 1 to 2	Due in Year 3 to 5	Due after Year 5	Total
Trade payables	7,144.34	-	-	-	7,144.34
Borrowings	1,250.00	3,552.84	-	-	4,802.84
Other financial Liabilities	838.42	-	-	-	838.42
Lease Liabilities	109.13	284.07	9.38	-	402.58
Total	**9,341.89**	**3,836.91**	**9.38**	**-**	**13,188.18**

(iv) Capital Management

The capital structure of the company consists of equity and debt. The Company's objective for capital management is to maintain the capital structure which will support the Company's strategy to maximize shareholder's value, safeguarding the business continuity and help in supporting the growth of the Company.

The net debt to equity ratio at the end of the reporting period was as follows:

Particualrs	As at 31st March, 2020 (Rs.in Lacs)
Non-current borrowings (refer note 18)	3,552.84
Current maturities of non-current borrowings (refer note 22)	1,250.00
Interest accrued but not due on borrowings (refer note 22)	0.00
Total Debt	**4,802.84**
Less : Cash and bank balances (refer note 13)	258.67
Net Debt	**4,544.17**
Equity (refer note 16 and 17)	77,023.42
Net debt to equity ratio	**0.06**

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Note 39
Related party transactions

a. List of related parties and relationship

Other related parties

Key Management Personnel	Mr.Sudhir Vaid, Chairman & Managing Director Mr.Ankur Vaid, Joint Managing Director & CEO Mr.Ravi Kapoor, Director Mr.Prakash Sajnani,Company Secretary
Relative of Key management personnel	Mrs. Manju Vaid Col.S.K.Vaid Mrs.Megha Vaid Mrs. Sonal Kumra
Joint Venture	Concord Biotech Japan K.K.

b. Transaction with related parties

Value of Transactions	Key Management Personnel	Relatives of Key Management Personnel	Joint Venture	Total
	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2020
Managerial Remuneration	485.21	-	-	485.21
Salaries	25.73	67.95	-	93.68
Retainership Fees	21.96	-	-	21.96
Professional Fees	-	31.50	-	31.50
Rent Expenses	99.26	31.85	-	131.11
Director Sitting Fees	0.80	-	-	0.80
Sale of goods	-	-	1,972.55	1,972.55

Balances outstanding as at the reporting date	Key Management Personnel	Relatives of Key Management Personnel	Joint Venture	Total
	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2020
Current Liabilities	25.40	6.38	-	31.78
Trade receivables	-	-	538.47	538.47

1. Outstanding balance at the year end are unsecured and interest free and settlement occures in cash.
2. Company has not provided any committment to the related party as at 31st March 2020 (P.Y 31st March 2019-Nil)

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Note 40
Segment reporting

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of nature of products and other

Bulk Drug business is identified as single operating segment for the purpose of making decision on allocation of resources and assessing its performance.

Geographical segment
Geographical segment is considered based on sales within India and outside India. In outside India, company separately disclosed sales to America and Others.

(Rs. In Lacs)

Particulars	For the Year Ended 31st March, 2020
i) Segment Revenue	
Revenue from Operations	
(a) Within India	26,156.47
(b) Outside India	
(i) America	7,980.58
(ii) Others	17,095.93
Total Revenue from Operations	**51,232.98**
ii) Non Current operating assets [*]:	
(a) Within India	39,570.61
(b) Outside India	-
(i) America	-
(ii) Others	-
(c) Unallocable	81.48
Total Non Current operating assets	**39,652.09**

[*] Other than Financial Assets

Information about major customers:
Revenue from major export and domestic customers is Rs. 17,242 Lakhs (Previous year Rs. 11674.01 Lakhs). Revenue from other individual customer is less than 10% of total revenue.

Note 41
Research & Development
The Company's facility is approved for Research & Development by Department of Science & Industrial Research (DSIR). The company has incurred expenditure of revenue nature on Research & Development, details of which are as under :

(Rs. In Lacs)

Particulars	For the Year Ended 31st March, 2020
Cost of Materials Consumed	132.86
Salaries & Wages	757.67
Power & Fuel	89.17
Depreciation	200.08
Others	597.87
Total	**1,777.65**

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Note 42

Disclosure Under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2019-20, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

(Rs. In Lacs)

Particulars	**For the Year Ended 31st March, 2020**
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)	
Principal amount due to micro and small enterprise	663.59
Interest due on above	3.33
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	3.33
(v) 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	-

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

Note 43

Covid-19 note

The Ministry of Home Affairs vide order No.40-3/2020 dated 24.03.2020 notified first ever nation-wide lockdown in India to contain the outbreak of COVID 19. Due to COVID-19 situation, there have been several restrictions imposed by the Governments across the globe on the travel, goods movement and transportation considering public health and safety measures. The Company's API and Formulation businesses has been classified as an 'essential commodity', at par with medical equipment/ medicine, food chain, etc. As of today, all production facilities in various parts of the country remains in operation, following enhanced internal safety guidelines. The Company maintains strategic safety stocks to ensure availability of raw materials and formulated products. During this period, the Company continued sales of their products and does not expect any material adverse impact at this point of time. Considering the liquidity position as at March 31, 2020 and expectation of cash generation from operations, the Company believes that it has ability to service debt and other financing arrangements during the current financial year.

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Note 44
Interest in Other Entity

Sr No.	Name of Entity	Country of Incorporation	Remarks	Activities	Proportion of Ownership As at March 31, 2020
	Joint Venture				
1	Concord Biotech Japan K.K.	Japan		Pharmaceutical	50%

(A) Company' share in Contingent Liability of Joint Venture

(Rs. In Lacs)

	Particulars	As at March 31, 2020
1	Disputed Demand in respect of :	
	Sales Tax	-
	Service Tax	-
	Income Tax	-
2	Claims against the Company not acknowledged as debts	-

Note 45
Additional information pursuant to Schedule III of Companies Act, 2013

(Rs. In Lacs)

Name of Entity	For the financial year ending on / as at March 31, 2020							
	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 a % of consolidated net assets	Amount	As a % of consolidated profit	Amount	As a % of consolidated OCI	Amount	As a % of consolidated Total Comprehensive Income	Amount
Concord Biotech Ltd	100%	77,023.43	99.91%	16,896.56	100.00%	31.82	99.91%	16,864.74
Add:								
Joint Venture								
Concord Biotech Japan K.K	0.00%	-	0.09%	14 96	0.00%	-	0.39%	14.96
Grand Total	100%	77,023.43	100%	16,911.52	100%	31.82	100%	16,879.70

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Note 46
Approval of financial statements

The Company has paid Interim Dividend of Rs.39.25 per equity share of Rs.10 each fully paid on dated 2nd march 2020 by Circular resolution.The amount of Interim Dividend distributed is Rs.4500.20 lakhs including Dividend Distribution tax of Rs. 767.31 lakhs.

The Board of Directors in their meeting held on 8th September, 2020, proposed a final equity dividend of Rs. 6 per equity share of Rs. 10.00 each fully paid up for the financial year 2019-20.

The Financial Statement have been consider and approved by the Board of Director at their meeting held on 8th September,2020

Note 47

During the financial year ended 31st March, 2020, the Holding Company invested in one of the joint venture entity named Concord Biotech Japan. The Holding Company recognized its interest in a joint venture as an investment and accounted for that investment using the equity method in accordance with Ind AS 28- "Investments in Associates and Joint Ventures" from the date when Joint control over the entity was obtained and accordingly consolidated financial statements for the year ended 31st March, 2020 have been prepared.
Considering the fact that during previous financial year ended 31st March, 2019, the Company was not required to prepare Consolidated Financial Statements comparative information is not disclosed in the financial statements.

For and on behalf of board of directors of
Concord Biotech Limited

DELOITTE HASKINS & SELLS
AHMEDABAD
CHARTERED ACCOUNTANTS

Sudhir Vaid [Din no: 00055967]
Chairman & Managing Director

Ankur Vaid [Din No : 01857225]
Joint Managing Director & CEO

Prakash Sajnani
Sr. GM-Finance & Company Secretary

PLACE : AHMEDABAD
DATE : 8th September,2020