B S R & Co. LLP

Chartered Accountants

8th floor, Business Plaza,
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INDEPENDENT AUDITORS' REPORT

To the Members of Zuventus Healthcare Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Zuventus Healthcare Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the 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 financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 39 to the financial statements which describes the uncertainty related to the ultimate outcome of the Search and Seizure operation conducted by the Income Tax Department. The Company has not received any demand notices in relation to the Search and Seizure as at this date. Management is confident that no taxes will devolve on the Company and hence no provision has been recognised in these financial statements as at 31 March 2021. Though the Company has not received any demand notice till date, the uncertainty in the matter remains till the proceedings are concluded.

Our opinion is not qualified in respect of this matter.

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Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Director's Report, but does not include the financial statements and our auditors' report thereon.

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

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 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.

In preparing the financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Zuventus Healthcare Limited

Independent Auditors' Report – 31 March 2021 *(Continued)*

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

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

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

c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid 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 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its financial statements - Refer Note 39 to the financial statements.

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

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

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

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Zuventus Healthcare Limited

Independent Auditors' Report – 31 March 2021 ***(Continued)***

Report on Other Legal and Regulatory Requirements ***(Continued)***

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/ W-100022

Abhishek

Abhishek
Partner
Membership No. 062343
UDIN: 21062343AAAABJ9382

Place: Pune
Date: 27 May 2021

Zuventus Healthcare Limited

Annexure A to the Independent Auditors' Report on financial statements – 31 March 2021

With reference to the Annexure referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2021, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of physical verification of its fixed assets by which all its fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties are held in the name of the Company.

(ii) In our opinion and according to information and explanation given to us, and on the basis of our examination of records of the Company, the inventory except for goods-in-transit and inventory lying with third parties, has been physically verified by management during the year. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of account. In respect of stock lying with third parties at the year end, written confirmation from major parties have been obtained and in respect of goods-in-transit, subsequent goods receipt has been verified by the management. In our opinion, the frequency of such verification is reasonable and adequate in relation to the size of the Company and the nature of its business.

(iii) The Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company

(iv) According to the information and explanations provided to us, the Company has neither given any loan nor made any investments, to which section 185 of the Act is applicable. The Company has complied with Section 185 of the Act for guarantee and security provided for its holding company. The Company has complied with the provisions of Section 186 of the Act, in respect of guarantees and securities provided and Investments made. The Company has not given any loan to which Section 186 of the Act is applicable.

(v) The Company has not accepted any deposits in accordance with the provisions of Sections 73 to 76 of the Act and the rules made there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

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(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employee's State Insurance, Income Tax, Duty of Customs, Goods and Services Tax and any other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities, except for delay in payment of Tax deducted at source where there is delay of 47 days. As explained to us, the Company do not have dues on account of Sales Tax, Service Tax, Value Added Tax and Duty of Excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Services Tax and any other statutory dues were in arrears as at 31 March 2021, for a period of more than six months from the date they became payable..

(b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Goods and Services Tax and Value Added Tax which have not been deposited with the appropriate authorities by the Company on account of disputes other than those stated in Enclosure 1 to this Annexure.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any dues to Financial Institution, Government or any outstanding debentures during the year.

(ix) The Company has not raised any moneys by way of initial public offer and further public offer (including debt instruments). The Company did not have any term loans outstanding as at the end of the year. Accordingly, paragraph 3(ix) is not applicable to the Company.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

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Zuventus Healthcare Limited

Annexure A to the Independent Auditors' Report on financial statements – 31 March 2021 *(continued)*

(xi) According to the information and explanations given to us, the managerial remuneration is paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company and therefore the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Act and the details, as required by the applicable accounting standards have been disclosed in the Ind AS financial statements.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/ W-100022

abhishek

Abhishek
Partner
Membership No. 062343
UDIN: 21062343AAAABJ9382

Place: Pune
Date: 27 May 2021

Zuventus Healthcare Limited

Annexure A to the Independent Auditors' Report on financial statements – 31 March 2021 *(continued)*

Enclosure 1

Name of the Statute	Nature of the dues	Amount Disputed (Rs. In million)	Amount paid under protest (Rs. In million)	Period to which the amount relates	Forum where dispute is pending
The Provident Fund Act, 1972	Provident Fund	53.62	20.00	FY 2010-11	High Court, Mumbai
The Tamil Nadu Value Added Tax Act, 2006	Value added tax	15.58	2.66	FY 2015-16	Appellate Deputy Commissioner (CT), Central Div. Chennai
Maharashtra VAT	Value added tax	2.34	0.00	FY 2014-15	Jt. Commissioner of Sales Tax, Pune Div., Pune
Maharashtra VAT	Value added tax	3.27	0.00	FY 2015-16	Jt. Commissioner of Sales Tax, Pune Div., Pune
Maharashtra VAT	Value added tax	1.67	0.00	FY 2016-17	Jt. Commissioner of Sales Tax, Pune Div., Pune
Maharashtra VAT	Value added tax	3.83	0.00	FY 2017-18	Jt. Commissioner of Sales Tax, Pune Div., Pune
Finance Act, 1994	Service Tax	105.43	0.00	FY 2016-17	Office of the Commissioner of Central Goods and Service Tax and Central Excise
The Income Tax Act, 1961	Income tax	5.53	5.53 #	AY 2012-13	Income Tax Appellate Tribunal, Pune
The Income Tax Act, 1961	Income tax	97.94	19.59	AY 2012-13	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income tax	0.21	0.21 #	AY 2013-14	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income tax	8.27	8.27 #	AY 2014-15	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income tax	105.40	83.87 #	AY 2016-17	Commissioner of Income Tax (Appeals)

Zuventus Healthcare Limited

Annexure A to the Independent Auditors' Report on financial statements – 31 March 2021 *(continued)*

Enclosure 1 *(continued)*

Name of the Statute	Nature of the dues	Amount Disputed (Rs. In million)	Amount paid under protest (Rs. In million)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income tax	71.12	12.71	AY 2017-18	Commissioner of Income Tax (Appeals)

* FY and AY stand for Financial Year and Assessment Year respectively.
# paid by way of adjustment against income tax refund / minimum alternate tax credit entitlement / in cash.

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Annexure B to the Independent Auditors' report on the financial statements of Zuventus Healthcare Limited for the period ended 31 March 2021.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

Referred to in paragraph (2) (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

Opinion

We have audited the internal financial controls with reference to financial statements of Zuventus Healthcare Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements 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 "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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Annexure B to the Independent Auditors' report on the financial statements of Zuventus Healthcare Limited for the year ended 31 March 2021 ***(continued)***

Auditors' Responsibility ***(continued)***

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 with Reference to Financial Statements

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/ W-100022

abhishek

Place: Pune
Date: 27 May 2021

Abhishek
Partner
Membership No. 062343
UDIN: 21062343AAAABJ9382

ZUVENTUS HEALTHCARE LTD.

FINANCIAL STATEMENT FOR THE YEAR ENDED

MARCH 31, 2021

ZUVENTUS HEALTHCARE LTD.

Financial Statements together with the Independent Auditors Report

For the Fiancial Year 2020-21

ZUVENTUS HEALTHCARE LIMITED
Balance Sheet as at March 31, 2021

Rs. in Millions

Particulars	Note	March 31, 2021	March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	2	2,029.36	2,174.91
Capital work-in-progress	3	8.33	6.60
Right-of-use-of-assets	5	274.51	280.81
Intangible assets	4	5.17	2.52
Financial assets			
i) Investments	10	0.03	547.73
ii) Loans	6	64.17	61.29
iii) Other financial assets	7	9.52	6.75
Income tax assets(net)	35	144.65	131.70
Other non-current assets	8	46.63	55.48
Total non-current assets		2,582.37	3,267.79
Current Assets			
Inventories	9	1,147.18	953.96
Financial assets			
i) Investments	10	300.00	-
ii) Trade receivables	11	898.71	1,024.33
iii) Cash and cash equivalents	12	441.53	5.52
iv) Bank balances other than (iii) above	13	247.84	4.65
v) Other financial assets	14	10.81	18.01
Other current assets	15	258.06	358.52
Total current assets		3,304.13	2,364.99
Total assets		5,886.50	5,632.78
Equity and liabilities			
Equity			
Equity share capital	16	200.55	200.55
Other equity			
Reserves and surplus	17	3,577.04	2,753.58
Total equity		3,777.59	2,954.13
Liabilities			
Non-Current Liabilities			
Financial liabilities			
i) Leases liability	5	167.71	160.85
ii) Other financial liabilities	18	34.25	34.55
Provisions	19	271.34	222.57
Deferred Tax Liabilities (Net)	34	25.16	65.01
Total Non-current liabilities		498.46	482.98
Current liabilities			
Financial liabilities			
i) Borrowings	20	223.39	540.41
ii) Trade payables			
Total outstanding dues to Micro and Small Enterprises	49	-	-
Total outstanding dues to others	21	542.16	753.97
iii) Leases liability	5	71.48	77.56
iv) Other financial liabilities	22	335.98	332.35
Provisions	23	291.56	413.57
Other current liabilities	24	84.46	60.93
Current tax liabilities (net)	35	61.42	16.88
Total current liabilities		1,610.45	2,195.67
Total liabilities		2,108.91	2,678.65
Total equity and liabilities		5,886.50	5,632.78

The notes referred to above form an integral part of the financial statement.
As per our report of even date attached.

For B S R & Co. LLP
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: May 27, 2021

For and on behalf of the Board of Directors
of Zuventus Healthcare Ltd
CIN U85320PN2002PLC018324

Satish Mehta
Chairman
DIN - 00118691

P. K. Guha
Managing Director
DIN - 00118415

Chetan Sharma
Company Secretary
Membership No. F8352

Place: Pune
Date: May 27, 2021

ZUVENTUS HEALTHCARE LIMITED

Statement of Profit & Loss for the year ended March 31, 2021

Rs. in Millions

Particulars	Note	March 31, 2021	March 31, 2020
Revenue :			
Revenue from operations	25	8,120.88	8,231.63
Other income	26	17.44	16.54
Total Income		**8,138.32**	**8,248.17**
Expenses :			
Cost of materials consumed	27	1,177.99	1,278.08
Purchases of stock-in-trade		1,693.59	1,455.06
Changes in inventories of finished goods, work-in-progress and traded goods	28	(168.31)	16.07
Employee benefit expenses	29	1,949.76	1,922.34
Depreciation and amortisation expense	31	278.76	273.68
Finance cost	32	109.80	112.74
Other expenses	30	1,563.39	2,257.14
Total Expenses		**6,604.98**	**7,315.11**
Profit before taxation		**1,533.34**	**933.06**
Tax expenses	33		
Current tax		564.68	305.11
Deferred tax		(46.12)	19.20
Total tax expenses		**518.56**	**324.31**
Profit for the year		**1,014.78**	**608.75**
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of post-employment benefit obligations	44	**17.95**	**(33.62)**
Income tax relating to these items	33	**(6.27)**	**11.75**
Net other comprehensive income not to be reclassified subsequently to profit or loss		**11.68**	**(21.87)**
Total comprehensive income for the year		**1,026.46**	**586.88**
Earnings per equity share:			
Basic earnings per share	42	**50.60**	30.35
Diluted earnings per share		**50.60**	30.35
Face value per share : Rs. 10 (March 31, 2020 : Rs. 10)			

The notes referred to above form an integral part of the financial statement.
As per our report of even date attached.

For B S R & Co. LLP
Firm Registration: 101248W/W-100022
Chartered Accountants

abhishek

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: May 27, 2021

For and on behalf of the Board of Directors of Zuventus Healthcare Ltd
CIN U85320PN2002PLC018324

Satish Mehta
Chairman
DIN - 00118691

P. K. Guha
Managing Director
DIN - 00118415

Chetan Sharma
Company Secretary
Membership No. F8352

Place: Pune
Date: May 27, 2021

ZUVENTUS HEALTHCARE LIMITED
Statement of Changes in Equity for the year ended March 31, 2021

A. Equity Share Capital	Note	Rs. in millions
As at April 1, 2019	16	**200.55**
Changes in equity share capital		-
As at March 31, 2020	16	**200.55**
Changes in equity share capital		-
As at March 31, 2021	16	**200.55**

Rs. in Millions

Other equity	Note	Reserves and Surplus		Equity contribution from holding company	Total other equity
		General Reserve	Retained earning		
As at April 1, 2019		161.67	2,460.11	4.29	2,626.07
Profit for the year		-	608.75	-	608.75
Items of other comprehensive income recognised directly in retained earnings		-	(21.87)	-	(21.87)
Dividend paid	17	-	(381.05)	-	(381.05)
Dividend distribution tax	17	-	(78.32)	-	(78.32)
As at March 31, 2020		161.67	2,587.62	4.29	2,753.58
Profit for the year		-	1,014.78	-	1,014.78
Items of other comprehensive income recognised directly in retained earnings		-	11.68	-	11.68
Cash settlement of stock options issued to employees	45	-	-	(2.45)	(2.45)
Dividend paid	17	-	(200.55)	-	(200.55)
As at March 31, 2021		161.67	3,413.53	1.84	3,577.04

The notes referred to above form an integral part of the financial statement.
As per our report of even date attached.

For B S R & Co. LLP
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: May 27, 2021

For and on behalf of the Board of Directors of Zuventus Healthcare Ltd
CIN U85320PN2002PLC018324

Satish Mehta
Chairman
DIN - 00118691

P. K. Guha
Managing Director
DIN - 00118415

Chetan Sharma
Company Secretary
Membership No. F8352

Place: Pune
Date: May 27, 2021

ZUVENTUS HEALTHCARE LIMITED

Cash Flow Statement for the year ended March 31, 2021

Rs. In Millions

Particulars	March 31, 2021	March 31, 2020
Cash flow from operating activities :-		
Profit before taxation	1,533.34	933.06
Adjustment for:		
Depreciation and amortisation expenses	278.76	273.68
Finance cost	109.80	112.74
Provision for doubtful debts	17.79	-
Interest from bank and others	(2.95)	(0.82)
Provision for doubtful debts written back	-	(3.10)
Change in fair value of investment in preference shares	65.13	(11.75)
Loss on redemption of preference shares	32.57	-
loss/(Profit) on sale of property, plant and equipment	1.14	(0.24)
Expense towards cash settlement of stock option recognised through retain earnings	(2.45)	-
Operating profit before working capital changes	**2,033.13**	**1,303.57**
Working capital adjustments:		
- Decrease / (increase) in other assets	101.14	(58.79)
- Increase/(decrease) in other liabilities	23.53	(2.01)
- Decrease / (increase) in other financials assets	6.81	(22.95)
- Increase in other financials liabilities	20.45	11.66
- (Decrease) / increase in trade payables	(211.81)	258.94
- Decrease / (increase) in trade receivables	107.83	(209.73)
- (Increase) in inventories	(193.22)	(69.63)
- (Decrease) / increase in provisions	(93.61)	47.05
Cash generated from operating activities	**1,794.25**	**1,258.11**
Income taxes paid (net of refund)	(533.07)	(332.43)
Net cash inflow from operating activities (A)	**1,261.18**	**925.68**
Cash flows from investing activities		
Acquisition of property, plant and equipment, intangibles and capital work-in-progress	(57.52)	(165.20)
Proceeds from sale of property, plant and equipment	2.74	2.31
Sale of investment	150.00	-
Interest received from banks and others	0.46	0.90
Term deposits placed	(247.00)	-
Term deposits matured	1.04	-
Net cash (outflow) from investing activities (B)	**(150.28)**	**(161.99)**
Cash flows from financing activities		
Repayment of long-term borrowings	-	(589.53)
Repayment of Lease Liabilities	(107.93)	(101.49)
Interest paid	(49.39)	(64.17)
Interim dividend paid (and related dividend distribution tax)	(200.55)	(241.77)
Final dividend paid (and related dividend distribution tax)	-	(217.60)
Net cash outflow from financing activities (C)	**(357.87)**	**(1,214.56)**
Net increase in cash and cash equivalents (A+B+C)	**753.03**	**(450.87)**
Cash and cash equivalent at 1 April (refer below)	**(534.89)**	**(84.02)**
Cash and cash equivalent at 31 March (refer below)	**218.14**	**(534.89)**

Components of cash and cash equivalent:	March 31, 2021	March 31, 2020	March 31, 2019
Cash on hand (refer note no. 12)	0.14	0.30	0.15
Balances with bank in current accounts (refer note no. 12)	358.36	5.22	5.27
Balances with bank in cash credit accounts (refer note no. 12)	83.03	-	-
Bank overdrafts used for cash management purpose (refer note no. 20)	(223.39)	(540.41)	(89.44)
Total cash and cash equivalent*	218.14	(534.89)	(84.02)

*Cash and cash equivalent includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

ZUVENTUS HEALTHCARE LIMITED
Cash Flow Statement for the year ended March 31, 2021

Rest. in Millions

Changes in liabilities arising from financial activities	March 31, 2021	March 31, 2020
Long term borrowings:		
Opening balance	-	589.53
Amount borrowed during the year	-	-
Amount repaid during the year	-	(589.53)
Closing balance	-	-
Finance cost		
Opening balance	-	4.94
Finance cost during the year	109.80	112.74
Amount paid during the year	(49.39)	(64.17)
Others (including amortised cost adjustment)	(60.41)	(53.51)
Closing balance	-	-

The notes referred to above form an integral part of the financial statement.
As per our report of even date attached.

For B S R & Co. LLP
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: May 27, 2021

For and on behalf of the Board of Directors
of Zuventus Healthcare Ltd
CIN U85320PN2002PLC018324

Satish Mehta
Chairman
DIN - 00118691

P. K. Guha
Managing Director
DIN - 00118415

Chetan Sharma
Company Secretary
Membership No. F8352

Place: Pune
Date: May 27, 2021

(Currency - Rs. In millions unless otherwise specified)

1 General Information :

Zuventus Healthcare Limited (hereinafter referred to as "Company") is a Company limited by shares, incorporated and domiciled in India. The Company has its own manufacturing facility in Jammu, Sikkim and Bangalore. The Company is engaged in developing, manufacturing and marketing a broad range of pharmaceutical products in India.

A. Basis of preparation

a. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on 27th May, 2021.

Details of the Company's accounting policies are included in Note B.

b. Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts disclosed in the financial statements and notes have been rounded-off to the nearest millions, unless otherwise indicated.

c. Basis of Measurement

The Financial statements have been prepared on historical cost basis except for the following items:

Items	Measurement Basis
Certain Financial assets and liabilities	Fair Value
Equity settled share based payment arrangements	Fair Value
Net defined benefit (asset) / liability	Fair Value of plan assets less present value of defined benefit obligations

d. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties
Information about assumptions and estimations uncertainties that have a significant risk resulting in a material adjustment in the year ending March 31, 2021 is included in following notes:

Note B. c. Useful lives of property, plant, equipment and intangibles;
Note 9 - Valuation of inventories
Note 23 and 39 - Recognition and measurement of provisions and contingencies : key assumptions about the likelihood and magnitude of an outflow of resources;
Note 34 - Recognition of deferred tax assets: availability of future taxable profit against which tax credit can be used;
Note 37 - Impairment of financial instruments;
Note 38 - Measurement of fair value of optionally convertible and redeemable preference shares; key assumptions for earning growth rate and discount rate
Note 44 - Measurement of defined benefit obligations: key actuarial assumptions;
Note 05 - Measurement of discount rate for initial recognition of ROU and Lease Liability as per IND AS 116

e. Measurement of fair values

A number of the Company accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to measurement of fair values. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework including Level 3 fair value, and reports directly to the head of treasury.

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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ZUVENTUS HEALTHCARE LTD.

A. Basis of preparation (continued)

f. Current versus non current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:
a. it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
b. it is held for the purpose of being traded;
c. it is expected to be realized within 12 months after the reporting date; or
d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current assets / non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:
a. it is expected to be settled in the Company's normal operating cycle;
b. it is held primarily for the purpose of being traded;
c. it is expected to be settled within 12 months after the reporting date; or
d. the Company does not have any unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include the current portion of non-current liabilities / non-current financial liabilities. 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 is the time between the acquisition of assets for processing and their realization in cash or cash equivalent. The operating cycle of the Company is less than 12 months.

B. Significant accounting policies

a. Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction. Exchange difference are recognised in profit and loss.

b. Financial Instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at
- amortised cost; or
- Fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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B. Significant accounting policies (continued)

b. Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:
- The stated policy and objectives for the portfolio and the operation of those policies in practice.
- These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial asset to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of asset;
- How the performance of portfolio is evaluated and reported to the Company's management;
- The risk that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defines as the fair value of financial asset on initial recognition. 'Interest' is defined as consideration for time value of money and for credit risk associated with the principal amount outstanding during a particular period of time and other basic leading risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:
- contingent events that would change the amount and timing of cash flows;
- term that would adjust the contractual rate, including variable interest rate features;
- prepayment and extension features; and
- term that limits the Company's claim to cash flows for specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amount of principal and interest on principal amount outstanding, which may include reasonable additional compensation for early termination of contract. Additionally, for a financial asset acquired on a significant premium or discount to its contractual par amount, a feature that permits or require prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.
The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

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B. Significant accounting policies (continued)

c. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separated items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit and loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefit associated with the expenditure will flow to company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method, and is generally recognised in the statement of profit and loss. Assets acquired under finance Lease are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Depreciation is provided on pro-rata basis using the straight-line method over the estimated useful lives of the assets prescribed under Schedule II to the Companies Act 2013
- Furniture and fixtures at leasehold premises are depreciated over the lease period.
- Vehicles are depreciated over 5 years, as per technical evaluation.
- Certain plant and machinery are depreciated over 3-10 years, as per technical evaluation

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represents the period over which the management expects to use these assets.

Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

d. Intangible Assets

i. Initial recognition:

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment loses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases future economic benefit embodied in the specific asset to which it relets.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual value over their estimated useful lives using straight line method, as is included in depreciation and amortisation in Statement of Profit and Loss.

The estimated useful lives are as follows:

Intangible Asset	Estimated useful life
Software	3 to 6 Years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

e. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories based weighted average formula, and includes expenditure incurred in acquiring the inventories, production or conversion cost and other cost incurred in bringing them to their present location and condition. In case of manufactured inventory and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expense.

The net realisable value of work-in- progress is determined with reference to the selling price of related finished products.

Raw materials, components and other supplies held for use in production of finished products are not written down below cost except in cases where material price have declined and it is estimated that the cost of finished products will exceed their net realizable value.

The comparison of cost and net realizable value is made on an item-by-item basis.
The Company considers various factors like shelf life, ageing of inventory, product discontinuation, price changes and any other factor which impact the Company's business in determining the allowance for obsolete, non-saleable and slow moving inventories. The Company considers the above factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

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ZUVENTUS HEALTHCARE LTD.

B. Significant accounting policies (continued)

f. Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on estimated future cash flows of financial assets have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being overdue for a period of more than 12 months from the credit term offered to the customer;
- the restructuring of loan or advance by the Company on the terms that the Company would not consider otherwise;
- it is probable that borrower will enter bankruptcy or the financial reorganisation;
- The disappearance of active market for a security because of financial difficulties.

In accordance with Ind-AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date, the credit risk has not increased significantly since its original recognition. However, if credit risk has increased significantly, lifetime ECL is used.

ECL impairment loss allowance (or reversal) recognized in the Statement of profit and loss.

While determining whether the credit risk of financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost of effort. This includes both quantitative and qualitative information and analysis based on Company's historical experience and informed credit assessment and including forward - looking information.

The company assumes that the credit risk on financial assets has increased significantly if it is more than 30 days past due.

The Company considers financial asset to be in default when:
a. the borrower is unlikely to pay its credit obligation to the Company in full, without recourse by the Company to action such as realising security (if any is held); or

b. The financial asset is 90 days or more past due.

Measurement of expected credit loss

Expected credit loss are probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flow that the Company expects to receive).

Presentation of allowance of expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write – off

The gross carrying amount of financial asset is written off (either partially of full) to the extent that there is no realistic prospect of recovery. This is generally the case when Company determines that the debtor does not have asset or source of income that could generate sufficient cash flows to repay the amount subject to write-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with Company's procedures for recovery of amounts due.

ii. Impairment of non-financial asset

The Company's non-financial assets, other than inventories and deferred tax, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g. central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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B. Significant accounting policies (continued)

g. Employee benefits

i. Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Share-based payment transactions

Share-based compensation benefits are provided to employees by Holding company via Employee Stock Option Scheme ("ESOS) 2013.

The grant date fair value of equity settled share-based payment awards granted to employees of the Company is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

iii. Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards superannuation fund scheme and Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iv. Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation result in a potential asset for the Company, the recognised asset is limited to the present value of economic benefit available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of the plan are changed or when plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gain and losses on the settlement of a defined benefit plan when the settlement occurs.

v. Other long term employee benefits:

The Company's liability in respect of other long-term employee benefits (compensated absences) is the amount of future benefit that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the Projected Unit Credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

h. *Provisions (other than for employee benefits), Contingent liabilities and contingent assets*

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax-rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

i. Sales returns and breakage expiry

When a customer has a right to return the product within a given period, the Company has recognised a provision for returns. The provision is measured equal to the value of the sales expected to return in the future period. Revenue is adjusted for the expected value of the returns and cost of sales are adjusted for the value of the corresponding goods to be returned.

The Company has an obligation to replace the goods which will expire. The Company has recognised a provision for the returns due to expiry. The provision is measured on the basis of historical trend of expiry against the sales occurred in the current and earlier period. Management considers the sales value for the periods which are equivalent to average general shelf life of products. Revenue is adjusted for the expected value of the returns.

ii. Contingencies

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines, penalties, etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

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B. Significant accounting policies (continued)

h. Provisions (other than for employee benefits), Contingent liabilities and contingent assets (continued)

iii. Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

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 recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefit will arise, the asset and related income are recognized in the period in which the change occurs. A contingent asset is disclosed, where an inflow of economic benefits is probable.

i. Revenue

Sale of goods

Revenue is measured based on the consideration specified in a contract with a customer. Consideration is allocated to each performance obligation specified in the contract. The Company recognises revenue pertaining to each performance obligation when it transfers control over a product to a customer, which is adjusted for expected refunds, which are estimated based on the historical data, adjusted as necessary. The transaction price is also adjusted for the effect of time value of money if the contract includes significant financing component.

The Company recognises refund liability where the Company receives consideration from a customer and expects to refund some or all of that consideration to the customer. The refund liability is measured at the amount of consideration received (or receivable) for which the entity does not expect to be entitled (i.e. amounts not included in the transaction price).

j. Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in profit or loss as other operating revenue on a systematic basis.

Grants that compensate the Company for expenses incurred are recognised in profit or loss as other operating revenue on a systematic basis in the periods in which such expenses are recognised.

k. Lease

The Company as a lessee

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

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 and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

l. Recognition of interest income or expenses

Interest income or expenses is recognised using effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of financial instrument to:

- The gross carrying amount of the financial assets; or
- The amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the assets (when asset is not credit – impaired) or to the amortised cost of the liability. However for financial asset that have become credit – impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to gross basis.

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B. Significant accounting policies (continued)

m. Income tax

Income tax expense comprises of current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss of the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets unrecognised/recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting data.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity and they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

The deferred tax in respect of timing differences which reverse during the tax holiday period is not recognised to the extent the enterprise's gross total income is subject to the deduction during the tax holiday period.

n. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

o. Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.
The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

p. Cash and cash equivalents

Cash and cash equivalents comprises of cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

q. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the company are identified as Chief operating decision maker. Refer note 43 for segment information.

r. Earnings Per Share

The basic earnings per share is computed by dividing the net profit / (loss) after tax attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period.

Diluted earnings per share is computed by dividing the net profit / (loss) after tax attributable to the equity shareholders for the period by the weighted average number of equity and equivalent dilutive equity shares outstanding during the reporting period, except where the results would be anti-dilutive.

s. Cash flow statement

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

t. Research and development

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

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C. Recent accounting pronouncements

Ministry of Corporate Affairs notifies amendments to the existing Ind AS or new Ind AS. There is no such amendment to the existing Ind AS or new Ind AS which are notified and applicable from April 1, 2021.

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Rs. in Millions

Note 2 Property, plant and equipment	Gross book value						Accumulated depreciation					Net book value
	As at April 1, 2020	Additions during the Year	Disposals during the Year	Regrouped as Right-of-use	Other Adjustments	As at March 31, 2021	As at April 1, 2020	Charge for the year	Deletion during the Year	Regrouped as Right-of-use	As at March 31, 2021	As at March 31, 2021
Freehold land	13.02	-	-	-	-	13.02	-	-	-	-	-	13.02
Leasehold improvements	28.47	0.01	-	-	-	28.48	12.30	3.98	-	-	16.28	12.20
Building	1,185.41	0.08	-	-	-	1,185.49	127.65	40.10	-	-	167.75	1,017.74
Plant and machinery	1,036.79	31.75	4.41	-	-	1,064.13	262.33	85.72	0.69	-	347.36	716.77
Electrical installation	188.48	-	-	-	-	188.48	47.99	20.43	-	-	68.42	120.06
Air handling equipment	135.65	4.70	0.11	-	-	140.24	36.75	10.36	0.08	-	47.03	93.21
Computers	44.92	0.37	-	-	-	45.29	36.76	4.78	-	-	41.54	3.75
Office equipment's	19.05	2.03	0.06	-	-	21.02	9.65	3.07	0.06	-	12.66	8.36
Furniture and fixtures	55.79	0.36	0.51	-	-	55.64	16.35	5.59	0.43	-	21.51	34.13
Vehicles	55.08	0.81	4.42	-	-	51.47	37.97	7.74	4.36	-	41.35	10.12
Total	2,762.66	40.11	9.51	-	-	2,793.26	587.75	181.77	5.62	-	763.90	2,029.36

Refer Note 41 for information on property, plant and equipment pledged as security by the company.

Rs. in Millions

Note 2 Property, plant and equipment	Gross book value						Accumulated depreciation					Net book value
	As at April 1, 2019	Additions during the Year	Deletion during the Year	Regrouped as Right-of-use	Other Adjustments	As at March 31, 2020	As at April 1, 2019	Charge for the year	Deletion during the Year	Regrouped as Right-of-use	As at March 31, 2020	As at March 31, 2020
Freehold land	13.02	-	-	-	-	13.02	-	-	-	-	-	13.02
Leasehold land	60.34	-	-	60.34	-	-	3.02	-	-	3.02	-	-
Leasehold improvements	18.24	10.23	-	-	-	28.47	8.46	3.84	-	-	12.30	16.17
Building	1,144.14	41.27	-	-	-	1,185.41	88.65	39.00	-	-	127.65	1,057.76
Plant and machinery	1,005.44	32.55	1.20	-	-	1,036.79	179.62	82.82	0.11	-	262.33	774.46
Electrical installation	120.34	68.81	0.67	-	-	188.48	34.24	13.88	0.13	-	47.99	140.49
Air handling equipment	133.52	2.43	0.30	-	-	135.65	26.68	10.13	0.06	-	36.75	98.90
Computers	40.62	4.30	-	-	-	44.92	26.43	10.33	-	-	36.76	8.16
Office equipment's	15.84	3.45	0.24	-	-	19.05	6.83	3.00	0.18	-	9.65	9.40
Furniture and fixtures	54.88	1.17	0.26	-	-	55.79	10.93	5.54	0.12	-	16.35	39.44
Vehicles	53.77	1.31	-	-	-	55.08	27.78	10.19	-	-	37.97	17.11
Total	2,660.15	165.52	2.67	60.34	-	2,762.66	412.64	178.73	0.60	3.02	587.75	2,174.91

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Rs. in Millions

Note 3 Capital work in progress	As at April 1, 2020	Additions during the Year	Capitalised during the Year	As at March 31, 2021
Capital in work in progress	6.60	9.19	7.46	8.33
Total	6.60	9.19	7.46	8.33

The capital work in progress at the year end of Rs. 8.33 millions mainly consisted of plant and machinery, building and other assets pertaining to various projects / plants.

Rs. in Millions

Note 3 Capital work in progress	As at April 1, 2019	Additions during the Year	Capitalised during the Year	As at March 31, 2020
Capital in work in progress	83.22	22.72	99.34	6.60
Total	83.22	22.72	99.34	6.60

The capital work in progress at the year end of Rs. 6.60 millions mainly consisted of buildings.

Rs. in Millions

Note 4 Intangible assets	Gross Book Value				Accumulated amortisation				Net book value
	As at April 1, 2020	Additions during the Year	Deletion during the Year	As at March 31, 2021	As at April 1, 2020	Charge for the year	Deletion during the Year	As at March 31, 2021	As at March 31, 2021
Software	12.41	6.71	-	19.12	9.89	4.06	-	13.95	5.17
Total	12.41	6.71	-	19.12	9.89	4.06	-	13.95	5.17

Rs. in Millions

Note 4 Intangible assets	Gross Book Value				Accumulated amortisation				Net book value
	As at April 1, 2019	Additions during the Year	Deletion during the Year	As at March 31, 2020	As at April 1, 2019	Charge for the year	Deletion during the Year	As at March 31, 2020	As at March 31, 2020
Software	12.28	0.13	-	12.41	6.79	3.10	-	9.89	2.52
Total	12.28	0.13	-	12.41	6.79	3.10	-	9.89	2.52

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Notes to the financial statements (continued)
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Note 5 : Leases - 116

Lease contracts entered by the Company majorly pertains for Land & buildings taken on lease to conduct its business in the ordinary course. Information about leases for which the company is lessee is presented as below:

Right-Of -Use Of Asset

Rs. in million

Particulars	Land	Land & Building	Total
Initial Recognition as on April 1, 2019	-	315.35	315.35
Reclassification from Property, Plant & Equipment	57.32	-	57.32
Depreciation charge for the year	(0.76)	(91.10)	(91.86)
Balance as at March 31, 2020	**56.56**	**224.25**	**280.81**
Additions for new leases entered during the year	-	91.65	91.65
Deletions for leases terminated during the year	-	(5.02)	(5.02)
Depreciation charge for the year	(0.75)	(92.18)	(92.93)
Balance as at March 31, 2021	**55.81**	**218.70**	**274.51**

Lease Liabilities

Rs. in million

Particulars	March 31, 2021	March 31, 2020
Balance as at the beginning of the year	238.41	-
Initial Recognition as on April 1, 2019	-	315.35
Additions for new leases entered during the year	91.65	-
Deletions for leases terminated during the year	(5.03)	-
Interest on lease liabilities	22.09	24.54
Repayment of lease liabilities (including interest)	(107.93)	(101.49)
Balance as at the end of the year	**239.19**	**238.41**
Current	71.48	77.56
Non-current	167.71	160.85

Maturity analysis - contractual undiscounted cash flows-

Particulars	March 31, 2021	March 31, 2020
Less than one year	89.96	96.39
One to five years	66.86	172.95
More than five years	146.85	35.32
Total undiscounted lease liabilities as at year end	**303.67**	**304.66**

Amount recognised in statement of Profit or Loss

Particulars	March 31, 2021	March 31, 2020
Interest on lease liabilities	22.09	24.54
Depreciation on Right of use of assets	92.93	91.85
Expenses relating to short term leases	0.62	0.85
Expenses relating to leases of low value assets, excluding leases of low value assets	1.01	1.36
Total	**116.65**	**118.60**

Amounts recognised in statement of cash flow

Cash flow from financing activities		
Repayment of lease liabilities (including interest)	(107.93)	(101.49)

The weighted average incremental borrowing rate of **9-9.85%** (March 31, 2020 : 9.85%) has been applied to lease liabilities recognised in the balance sheet.

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For the year ended March 31, 2021

Rs. in Millions

Note 6 Loans	March 31, 2021	March 31, 2020
Unsecured considered good, unless otherwise stated :		
Deposits to related parties (refer note 46)	1.00	1.00
Other Security deposits	63.17	60.29
Total	**64.17**	**61.29**

Rs. in Millions

Break-up of security details	March 31, 2021	March 31, 2020
Loans considered good - unsecured	64.17	61.29
Less : Loss Allowance	-	-
Total Security details	**64.17**	**61.29**

Rs. in Millions

Note 7 Other Financials Assets	March 31, 2021	March 31, 2020
Term deposits with banks for remaining maturity period more than 12 months	9.52	6.75
Total	**9.52**	**6.75**

Note : Held as lien by bank against guarantees and earnest money deposited.

Rs. in Millions

Note 8 Other non-current assets	March 31, 2021	March 31, 2020
Unsecured considered good, unless otherwise stated :		
Capital advances	2.36	10.53
Prepaid expenses	0.16	0.41
Balances with government authorities	44.11	44.54
Total	**46.63**	**55.48**

Rs. in Millions

Note 9 Inventories	March 31, 2021	March 31, 2020
Raw materials [includes in transit : Rs. 5.56 million (March 31, 2020 : Rs. 22.24 million)]	264.46	250.09
Packing materials [includes in transit : Rs. Nil (March 31, 2020 : Rs.0.70 million)]	52.28	42.07
Work-in-progress	27.70	31.33
Finished goods	408.17	347.38
Traded goods	383.45	272.30
Stores and spares	11.12	10.79
Total	**1,147.18**	**953.96**

Amounts recognised in profit or loss

Write-downs of inventories amounted to Rs. 21.64 millions (March 31, 2020 : Rs.21.95 millions). These were recognised as an expense during the year and included in 'cost of material consumed or changes in inventories of finished goods, work in progress and traded goods' in statement of profit and loss.

Inventories have been hypothecated as security against the long term as well as short term borrowings (refer note 41).

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Rs. in Millions

Note 10 Investments	March 31, 2021	March 31, 2020
Non-current investments		
Investment in preference share		
Investment in optionally convertible redeemable preference shares (fully paid-up):		
Unquoted - Valued at fair value through profit and loss		
30,000,000 (March 31, 2020: 45,000,000) fully paid Optionally Redeemable Convertible Preference Shares of Rs. 10 each	-	547.70
Investment in Government Securities :		
Unquoted		
National Savings Certificates	0.03	0.03
	0.03	547.73
Current investments		
Investment in preference share		
Investment in optionally convertible redeemable preference shares (fully paid-up):		
Unquoted - Valued at fair value through profit and loss		
30,000,000 (March 31, 2020: 45,000,000) fully paid Optionally Redeemable Convertible Preference Shares of Rs. 10 each	300.00	-
Aggregate amount of unquoted investments	**300.03**	**547.73**

Note: Optionally convertible redeemable preference shares ('OCRPS') are issued by the fellow subsidiary of the Company viz., Gennova Biopharmaceuticals Limited. The OCRPS have a par value of Rs.10 with a maximum tenure of 12 years and is optionally convertible in equity share of the fellow subsidiary in the ratio of 1 equity share for every 5 OCRPS. The redemption option can be availed anytime after the expiry of the 10th anniversary of the allotment date but on or before the 12th anniversary of the allotment date, provided that the Company has not exercised the conversion option. The conversion option can be availed anytime after the 8th anniversary of the allotment date but on or before the 12th anniversary of the allotment date. Subsequent to the year end, the 30,000,000 preference shares were redeemed at par value of Rs.10, accordingly the said preference shares are valued at Rs 10 as at year end March 31, 2021.

Rs. in Millions

Note 11 Trade receivables	March 31, 2021	March 31, 2020
Trade Receivable considered good - Unsecured	898.71	1,024.33
Trade receivables - credit impaired	50.81	33.02
	949.52	1,057.35
Less: Loss Allowance	(50.81)	(33.02)
Total	**898.71**	**1,024.33**

Of the above, trade receivables from related parties are as below

Rs. in Millions

Particulars	March 31, 2021	March 31, 2020
Total trade receivables from related parties (refer note 46)	1.15	-
Less: Allowance for doubtful debts	-	-
Net trade receivables	**1.15**	-

For terms and conditions of trade receivables owing from related parties, refer note 46
For receivables secured against borrowings, refer note 41
The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 37.

Rs. in Millions

Note 12 Cash and cash equivalents	March 31, 2021	March 31, 2020
Cash on hand	0.14	0.30
Bank balances on current account	358.36	5.22
Bank balances on cash credit	83.03	-
Total	**441.53**	**5.52**

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Note 13 Bank balances	March 31, 2021	March 31, 2020
Term deposits with banks having initial maturity of more than 3 months but remaining maturity of less than 12 months (refer rote below)	247.84	4.65
Total	247.84	4.65

Note : Term deposits of Rs.3.14 million (March 31, 2020: Rs.4.65 million) held as lien by bank against bank guarantees and letter of credit.

Rs. in Millions

Note 14 Other Current Financial Assets	March 31, 2021	March 31, 2020
Unsecured considered good, unless otherwise stated:		
Interest accrued on deposits with bank	5.28	2.79
Interest accrued on investments	0.01	0.01
Claim receivable	5.52	15.21
Total	10.81	18.01

Rs. in Millions

Note 15 Other current assets	March 31, 2021	March 31, 2020
Unsecured considered good, unless otherwise specified:		
Advances for supply of goods and services	93.48	138.63
Balances with government authorities	125.43	167.25
Advance to employees	12.25	16.82
Prepaid expenses	4.65	6.24
Other current assets	22.25	29.58
Total	258.06	358.52

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Note 16 Equity Share Capital	March 31, 2021 Number of shares	 Value	March 31, 2020 Number of shares	 Value
a. Authorised share capital Equity shares of Rs. 10 each	2,50,00,000	250.00	2,50,00,000	250.00
b. Issued, subscribed and paid up capital* Equity shares of Rs. 10 each	2,00,55,180	200.55	2,00,55,180	200.55

* All issued shares are fully paid up

c. Reconciliation of the number of the shares outstanding at the beginning and at the end of the year

Rs. in Millions

Particulars	March 31, 2021 Number of shares	 Value	March 31, 2020 Number of shares	 Value
Equity shares outstanding at the beginning and at the end of the year	2,00,55,180	200.55	2,00,55,180	200.55

d. Shares held by holding company

Particulars	March 31, 2021 No. of shares held	 % of Shareholding	March 31, 2020 No. of shares held	 % of Shareholding
Equity shares Emcure Pharmaceuticals Limited, the holding Company	1,59,60,000	79.58%	1,59,60,000	79.58%

e. Equity shareholders holding shares more than 5%

Particulars	March 31, 2021 No. of shares held	 % of Shareholding	March 31, 2020 No. of shares held	 % of Shareholding
Emcure Pharmaceuticals Limited	1,59,60,000	79.58%	1,59,60,000	79.58%
Mr. Prakash Kumar Guha	25,11,000	12.52%	25,11,000	12.52%
Total	**1,84,71,000**	**92.10%**	**1,84,71,000**	**92.10%**

f. Rights, preferences and restrictions attached to shares
The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

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Note 17 **Reserves and Surplus**	**March 31, 2021**	**March 31, 2020**
General Reserve		
Balance as at the beginning and at the end of the year	161.67	161.67
Surplus in statement of profit and loss		
Balance as at the beginning of the year	2,587.62	2,460.11
Profit for the year	1,014.78	608.75
Items of other comprehensive income transferred to retained earnings		
Remeasurement of post employment benefit obligation, net of tax	11.68	(21.87)
Appropriations		
Interim Dividend - FY 2020-21	(200.55)	-
Interim Dividend - FY 2019-20	-	(200.55)
Dividend Distribution Tax on Interim Dividend	-	(41.22)
Final Dividend - FY 2018-19	-	(180.50)
Dividend Distribution Tax on Final Dividend	-	(37.10)
Balance as at the end of the year	**3,413.53**	**2,587.62**
Equity contribution from Holding Company		
Balance as at the beginning of the year	4.29	4.29
Cash settlement of stock options issued to employees	(2.45)	-
Balance as at the end of the year	1.84	4.29
Total	**3,577.04**	**2,753.58**

The following dividends were declared and paid by the Company during the year:

Rs. in Millions

Particulars	**March 31, 2021**	**March 31, 2020**
Final dividend on equity shares FY 2018-19(Rs. 9.0 per equity share)*	-	180.50
Dividend distribution tax on above	-	37.10
Interim dividend on equity shares FY 2019-20(Rs. 10.0 per equity share)	-	200.55
Dividend distribution tax on above	-	41.22
Interim dividend on equity shares FY 2020-21(Rs. 10.0 per equity share)	200.55	-
Total	**200.55**	**459.37**

* Final dividend paid during the year ended March 31, 2020 amounting to Rs.180.50 million is related to dividend proposed during the year ended March 31, 2019.

Note: After the reporting dates the following dividend were proposed by the directors subject to approval at the annual general meeting; the dividends have not been recognised as liabilities.

Rs. in Millions

Particulars	**March 31, 2021**
Final dividend on equity shares (Rs. 5 per equity share)	100.28
Total	**100.28**

Nature and purpose of reserves :

Retained earnings

Retained earnings are the profits earned till date, less any transfers to other reserves and dividends distributed.

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

Equity contribution from Holding Company

Equity contribution from holding Company in the nature of employee stock option issued to employees.

Rs. in Millions

Note 18 Other non current financial liabilities	March 31, 2021	March 31, 2020
Trade deposits	31.25	31.25
Other deposits	3.00	3.30
Total	**34.25**	**34.55**

Rs. in Millions

Note 19 Non-current provisions	March 31, 2021	March 31, 2020
Provision for employee benefits		
Provision for compensated absences (refer note 44)	121.65	103.54
Other provisions		
Provision for sales returns and breakage expiry (refer note 23)	149.69	119.03
Total	**271.34**	**222.57**

Rs. in Millions

Note 20 Short-term borrowings	March 31, 2021	March 31, 2020
Secured		
Cash credit facilities / bank overdraft repayable on demand from banks	223.39	540.41
Total	**223.39**	**540.41**

Note:

1) Working capital loans from banks are secured by hypothecation of inventories, book debts and receivables (Refer Note 41).
2) The loans are repayable within a year with a range of interest for rupee loans 3 Months MCLR+1.10% p.a.
3) Information about the Company's exposure to interest rate and liquidity risk is included in note 37.

Rs. in Millions

Note 21 Trade payables	March 31, 2021	March 31, 2020
Trade payables to related parties (Refer Note 46)	9.89	18.71
Other trade payables		
Total outstanding dues of micro and small Enterprises (Refer Note 49)	-	-
Total outstanding dues of creditors other than micro & small enterprises	532.27	735.26
Total	**542.16**	**753.97**

All trade payable are current

Note : Information regarding Micro, Small and Medium Enterprises

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding as at March 31, 2021. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 37.

Rs. in Millions

Note 22 Other financials liabilities	March 31, 2021	March 31, 2020
Employee benefits payable	313.00	293.24
Creditors for capital assets	18.78	35.90
Other liabilities (refer note below)	4.20	3.21
Total	**335.98**	**332.35**

Note : Other liabilities includes commission payable to directors also disclosed under Related Party Transaction. Refer note 46 for details.

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Note 23 Short-term provisions	March 31, 2021	March 31, 2020
Provision for employee benefits		
Provision for compensated absences (refer Note 44)	51.96	54.97
Provision for gratuity (refer Note 44)	64.20	70.70
Other provisions		
Provision for sales returns and breakage expiry	173.09	268.19
Other provisions	2.31	19.71
Total	**291.56**	**413.57**

i) Information about individual provisions and significant estimates service warranties

Sales Returns

When a customer has a right to return the product within a given period, the company has recognised a provision for returns . This is measured on a net basis at the margin on the sale. Revenue is adjusted for the expected value of the returns and cost of sales are adjusted for the value of the corresponding goods to be returned.

The company has a constructive obligation to replace the goods which will expire. The company has recognised a provision for such returns on expiry.

This is measured on a basis of historical trend of expiry expected against the sales value. Management considers the sales for the period which is equivalent to average general shelf life of products. Revenue is adjusted for the expected value of the returns.

Significant estimates

The company has constructive obligation to accept the returns and expired products after sales to customers. Management estimates the related provision for future expected returns based on historical information as well as recent trends and change in business conditions that might suggest that past information may differ from future claims. The assumptions made in relation to the current period are consistent with those in the prior years. Factors that could impact the estimated return include pattern of return and success of new products launched, company's marketing initiatives shelf life of products. Were the value of expected returns to differ by 5% from management's estimates, the return provisions would be an estimated Rs. 11.35 millions higher or lower (March 31, 2020 - Rs. 10.08 millions).

Movements in provisions

Movement in provision for sales return and expiry is set out below:

Rs. in Millions

Particulars	March 31, 2021	March 31, 2020
Balance at beginning of the year	387.22	368.54
Provision made during the year	282.46	331.08
Unwinding of discounting on provision	38.32	26.59
Provision utilised during the year	(385.22)	(338.99)
Total	322.78	387.22

Rs. in Millions

Note 24 Other current liabilities	March 31, 2021	March 31, 2020
Statutory dues including provident fund and tax deducted at source	59.69	49.55
Advances from customers	24.77	11.38
Total	**84.46**	**60.93**

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Note 25 Revenue from Operations	March 31, 2021	March 31, 2020
Sale of products (refer note 47)	8,094.88	8,205.80
Other operating revenue		
Scrap sales	1.09	1.13
GST refund received (refer note 50)	24.91	24.70
Total	8,120.88	8,231.63

Rs. in Millions

Note 26 Other Income	March 31, 2021	March 31, 2020
Interest income under the effective interest method from:		
Banks and others	2.95	0.82
Provision written back to the extent no longer required	-	3.10
Net gain on foreign currency transactions	3.50	-
Profit on sale of property, plant and equipment	-	0.24
Net changes in fair value of preference share-mandatorily measured at FVTPL	-	11.75
Miscellaneous income	10.99	0.63
Total	17.44	16.54

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Note 27 Cost of material consumed	March 31, 2021	March 31, 2020
A: Raw material consumed		
Opening inventory	250.09	178.83
Add : Purchases (net)	949.58	1,029.48
	1,199.67	1,208.31
Less: Closing inventory	264.46	250.09
Cost of raw materials consumed during the year	935.21	958.22
B: Packing material consumed		
Opening inventory	42.07	34.67
Add : Purchases (net)	252.99	327.26
	295.06	361.93
Less: Closing inventory	52.28	42.07
Cost of packing materials consumed during the year	242.78	319.86
Total (A+B)	**1,177.99**	**1,278.08**

Rs. in Millions

Note 28 Changes in inventory of finished goods, work in progress and traded goods.	March 31, 2021	March 31, 2020
Opening inventory		
Finished goods	347.38	360.92
Work-in-process	31.33	41.62
Traded goods	272.30	264.54
	651.01	667.08
Less: Closing inventory		
Finished goods	408.17	347.38
Work-in-process	27.70	31.33
Traded goods	383.45	272.30
	819.32	651.01
Increase/decrease in inventories of finished goods, work-in-progress and traded goods.	**(168.31)**	**16.07**

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Note 29 Employee benefit expenses	March 31, 2021	March 31, 2020
Salaries, wages and bonus	1,713.41	1,679.21
Contribution to provident and other funds (refer Note 44)	115.42	114.21
Gratuity (refer note 44)	48.51	31.34
Employee share-based payment expenses (refer note 45)	7.55	-
Staff welfare expenses	64.87	97.58
Total	1,949.76	1,922.34

Rs. in Millions

Note 30 Other expenses	March 31, 2021	March 31, 2020
Processing charges	30.94	47.60
Factory consumables	58.55	59.29
Power and fuel	117.11	147.29
Insurance	11.89	5.77
Repair and maintenance	39.53	35.47
Rent	1.63	2.21
Rates and taxes	64.46	44.45
Freight	99.58	64.41
Advertisement & promotional materials	208.30	675.17
Travelling, conveyance and vehicle expenses	310.17	621.39
Commission on sales	167.88	172.96
Printing, stationery, postage and telephones expenses	18.30	28.92
Legal and professional fees	90.49	137.19
Contractual Services	111.76	115.01
Payment to auditors (refer note below)	1.39	1.58
Commission to Non-Executive Directors (refer note 46)	4.20	3.20
Directors sitting fees (refer note 46)	0.38	0.35
Provision for doubtful debts (refer note 37)	17.79	-
Loss on sale of asset	1.14	-
Net changes in fair value of preference shares - mandatorily measured at FVTPL	65.13	-
Loss on redemption of preference shares	32.57	-
Bad debts written off	0.12	9.52
Loss on foreign exchange fluctuation (net)	-	1.16
Expenditure towards corporate social responsibility (refer Note 51)	13.61	11.08
Miscellaneous expenses	96.47	73.12
Total	1,563.39	2,257.14

Note : Payment to auditor:

Rs. in Millions

Particulars	March 31, 2021	March 31, 2020
Audit fees	1.30	1.39
Other services	0.04	0.10
Out of pocket expenses	0.05	0.09
Total	1.39	1.58

Rs. in Millions

Note 31 Depreciation and amortisation expenses	March 31, 2021	March 31, 2020
Depreciation of property, plant and equipment	181.77	178.73
Amortisation of intangible assets	4.06	3.10
Depreciation of Right of use	92.93	91.85
Total	278.76	273.68

Rs. in Millions

Note 32 Finance cost	March 31, 2021	March 31, 2020
Interest on long-term borrowings measured at amortised cost	-	31.28
Interest on short-term borrowings measured at amortised cost	30.67	21.21
Interest on shortfall of advance tax	7.78	2.38
Interest accrued on lease liability	22.09	24.54
Unwinding of discounts on provision	38.32	26.59
Other borrowing costs	10.94	6.74
Total	109.80	112.74

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Rs. In Millions

Note 33 a) Tax expenses	March 31, 2021	March 31, 2020
Current tax expenses		
Current tax on profits for the year	570.42	302.60
Tax related to prior years	(5.74)	2.51
Total current tax expense	**564.68**	**305.11**
Deferred tax		
Originating and reversal of temporary differences	(33.10)	8.38
Changes in recognised temporary differences of earlier years	(13.02)	10.82
Total deferred tax (benefit)/expense	**(46.12)**	**19.20**
Total income tax expense	**518.56**	**324.31**

Rs. In Millions

b) Tax Income/(expenses) recognised in OCI	March 31, 2021	March 31, 2020
Remeasurements of post-employment benefit obligations	(6.27)	11.75
	(6.27)	11.75

Rs. In Millions

c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:	March 31, 2021		March 31, 2020	
Profit before tax expense		1,533.34		933.06
Tax using the Company's Domestic tax rate @ 34.94% (March 31, 2020 : 34.94%)	34.94%	535.81	34.94%	326.05
Effects of following on tax rates:				
Weighted deduction on research and development expenditure	0.00%	-	0.79%	(7.35)
Non deductible expenses	0.49%	7.47	0.50%	4.70
Additional allowances for tax purpose	-1.13%	(17.30)	-1.18%	(11.04)
Change in estimate related to prior years	-0.37%	(5.74)	0.27%	2.51
Difference in tax rate	0.74%	11.34	-0.15%	(1.37)
Other items	0.00%	-	0.00%	(0.01)
Changes in recognised temporary differences of earlier years	-0.85%	(13.02)	1.16%	10.82
Effective tax rate	**33.82%**	**518.56**	**34.75%**	**324.31**

d) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom:

Rs. In Millions

Unused tax losses - Long term capital loss	March 31, 2021		March 31, 2020	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Unused tax losses for which no deferred tax asset has been recognised	179.56	41.84	-	-
	179.56	41.84	-	-

Note : Further it is not probable that future taxable profit will be available against which the deductible temporary difference pertaining to investment in preference share can be utilised. Accordingly, Deferred tax assets to the tune of Rs. 17.77 million not been recognised on deductible temporary difference pertaining to investment in preference share.

Rs. in Millions

e)Tax losses carried forward- Expiry	March 31, 2021	March 31, 2020
Tax losses - Expiry in A.Y. 2029-30	179.56	-
	-	-

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Note 34 Deferred tax liabilities (net)	March 31, 2021	March 31, 2020
Deferred tax assets on:		
Allowance for doubtful debts on trade receivables	17.76	11.54
Provision - employee benefit	91.93	86.29
Lease Liability	83.58	83.31
Total deferred tax assets	193.27	181.14
Deferred tax liabilities on:		
Property, plant and equipment	140.20	144.28
Intangible assets	1.81	0.88
Investment in preference shares	-	22.63
Right to use asset	76.42	78.36
Total deferred tax liabilities	218.43	246.15
Deferred tax liabilities - net	**(25.16)**	**(65.01)**

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Note 34 Deferred tax liability (net) (continued)

Rs. in millions

Movement of Deferred tax assets / liabilities	Balance of Deferred tax asset as at April 1, 2020	Balance of Deferred tax liability as at April 1, 2020	Transferred to statement of profit and loss	Transferred to Other comprehensive income	Balance of Deferred tax asset as at March 31, 2021	Balance of Deferred tax liability as at March 31, 2021
Allowance for doubtful debts on trade receivables	11.54	-	6.22	-	17.76	-
Provision - employee benefit	86.29	-	11.91	(6.27)	91.93	-
Lease Liability	83.31	-	0.27	-	83.58	
Investment in preference shares	-	(22.63)	22.63	-	-	-
Property, plant and equipment	-	(144.28)	4.08	-	-	(140.20)
Intangible assets	-	(0.88)	(0.93)	-	-	(1.81)
Right to use asset	-	(78.36)	1.94	-	-	(76.42)
Total	**181.14**	**(246.15)**	**46.12**	**(6.27)**	**193.27**	**(218.43)**

Movement of Deferred tax assets / liabilities	Balance of Deferred tax asset as at April 1, 2019	Balance of Deferred tax liability as at April 1, 2019	Transferred to statement of profit and loss	Transferred to Other comprehensive income	Balance of Deferred tax asset as at March 31, 2020	Balance of Deferred tax liability as at March 31, 2020
Allowance for doubtful debts on trade receivables	12.03	-	(0.49)	-	11.54	-
Provision - employee benefit	77.07	-	(2.53)	11.75	86.29	-
Lease Liabilities	-	-	83.31	-	83.31	-
Investment in preference shares	-	(19.90)	(2.73)	-	-	(22.63)
Property, plant and equipment	-	(124.85)	(19.43)	-	-	(144.28)
Intangible assets	-	(1.91)	1.03	-	-	(0.88)
Right to use asset	-	-	(78.36)	-	-	(78.36)
Total	**89.10**	**(146.66)**	**(19.20)**	**11.75**	**181.14**	**(246.15)**

Rs. in millions

Note 35 Income tax assets/liabilities (net)	March 31, 2021	March 31, 2020
Income tax assets (net of provision)	144.65	131.70
Income tax liability (net of advance tax)	(61.42)	(16.88)
Total (net of advance tax)	**83.23**	**114.82**

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Note 36 : Capital management

Risk management
The company`s objectives when managing capital are to
- Safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholder's and benefits for other stakeholder's, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholder's, return capital to share holders or issue new shares.

Generally consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalent's)
divided by
Total equity as shown in the balance sheet.

The Company's strategy is to maintain a gearing ratio less than 1.50x, which is acceptable under bank norms. The gearing ratio at year end is as follows:

Rs. in Millions

Particulars	March 31, 2021	March 31, 2020
Net debt*	-	534.89
Equity attributable to owners of Zuventus Healthcare Limited	3,777.59	2,954.13
Net Debt to Equity ratio*	-	**0.18**

* As the net debt as on March 31, 2021 is negative, the Company for the purpose of this disclosure has considered net debt as zero and accordingly net debt to equity ratio is zero.

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Note 37 : Financial risk management

The Company is exposed to a variety of financial risks which results from the Company's operating and investing activities. The Company's risk management is carried out by treasury department under guidance of board of directors and the core management team, and it focuses on actively ensuring the minimal impact of company's financial position.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging analysis credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (Rs.)	Cash flow forecasting Sensitivity analysis	Effective management of foreign exchange inflows & outflows
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Ongoing review of existing borrowing rates and seeking for new facilities at lower rate.

A. Credit risk

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

Other financial assets that are potentially subject to credit risk consists of cash equivalents and deposits.

Further, the Company also recognises loss allowance by using a provision matrix based on historical credit loss experience wherein fixed provision rates are defined for each financial asset which is past due / not due. The Company depending on the diversity of its asset base, uses appropriate groupings if the historical credit loss experience shows significant different loss patterns for different customer segments / financial assets.

Also, the Company limits its exposure to credit risk from receivables by establishing a maximum payment period for customers.

The Company considers the recoverability from financial assets on regular intervals so that such financial assets are received within the due dates.
The Company has exposure to credit risk which is limited to carrying amount of financial assets recognized at the date of Balance sheet.

Trade receivables

Trade receivables are usually due within 7-180 days. Generally, and by practice significant domestic customers enjoy a credit period of approximately 7-45 days and for export customers, the credit period ranges from 30 to 180 days. The receivables are not interest bearing, which is the normal industry practice. All trade receivables are subject to credit risk exposure except for receivables from government agencies and related parties. However, the Company does not identify specific concentration of credit risk with regard to trade receivables, as the amounts recognized represent a large number of receivables from various customers. Further, majority of the receivables pertains to receivables from Subsidiaries, wherein the concentration of credit risk is considered to be low. Certain receivables are also backed by letter of credit from the banks, resulting into negligible credit risk in recovery of such receivables.

The Company uses a provision matrix (simplified approach) to measure the expected credit loss of trade receivables and other financial assets measured at amortised cost.

Year ended March 31, 2021:

Expected credit loss for trade receivables under simplified approach

Ageing	Not due	0-90 days past dues	91-180 days past dues	181-270 days past dues	271-360 days past dues	More than 361 days past dues	Total
Gross carrying amount	522.61	329.72	37.01	18.73	12.56	28.89	949.52
Expected loss rate (includes interest as well as credit loss)	1.78%	0.83%	8.05%	23.92%	38.46%	91.66%	5.35%
Expected credit losses (loss allowance provision)	9.30	2.74	2.98	4.48	4.83	26.48	50.81
Carrying amount of trade receivables (net of impairment)	**513.31**	**326.98**	**34.03**	**14.25**	**7.73**	**2.41**	**898.71**

Year ended March 31, 2020:

Expected credit loss for trade receivables under simplified approach

Ageing	Not due	0-90 days past dues	91-180 days past dues	181-270 days past dues	271-360 days past dues	More than 361 days past dues	Total
Gross carrying amount	509.04	479.47	32.52	10.88	4.46	20.98	1,057.35
Expected loss rate (includes interest as well as credit loss)	1.62%	1.11%	4.03%	16.64%	25.34%	72.50%	3.12%
Expected credit losses (Loss allowance provision)	8.26	5.30	1.31	1.81	1.13	15.21	33.02
Carrying amount of trade receivables (net of impairment)	**500.78**	**474.17**	**31.21**	**9.07**	**3.33**	**5.77**	**1,024.33**

During the period, the Company has made write-offs of trade receivables amount to Rs. 0.12 million (March 31, 2019 : 9.52 million).

There are no financial assets which have been written off during the year which are subject to enforcement activity.

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For the year ended March 31, 2021

Reconciliation of loss allowance provision — Trade receivables

Rs. in Millions

Particulars	Amount Rs.
Loss allowance on April 01,2019	**34.42**
Amounts written off	9.52
Net remeasurement of loss allowances	(10.92)
Loss allowance on March 31,2020	**33.02**
Amounts written off	0.12
Net remeasurement of loss allowances	17.67
Loss allowance on March 31, 2021	**50.81**

Cash and cash equivalents and deposits with banks:

With respect to the cash and cash equivalents and deposits with banks, the concentration of credit risk is negligible as these are kept with the reputable banks with very high credit worthiness.

B. Liquidity risk

Liquidity risk management implies maintaining sufficient cash and availability of funds through adequate amount of committed credit facility to meet the commitments arising out of financials liabilities. Due to the dynamic nature of the underlying business, company maintains flexibility in funding by maintaining availability under committed credit lines. In addition, the company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet future requirements, monitoring balance sheet liquidity ratios against debt covenants and maintaining debt financing plans and ensuring compliance with regulatory requirements.

The Company manages its liquidity needs by carefully monitoring scheduled debt payments as well as cash requirement for day-to-day business. Liquidity needs are monitored regularly as well as on the basis of a rolling 30 day cash flow projection. Long-term liquidity needs for a period from 180 to 360 days period are identified and revised at regular intervals.

The Company maintains cash and marketable securities to meet its liquidity requirements. Funding in regards to long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

i. ***Financing arrangements***

The company has access to the following undrawn borrowing facilities of Rs. 552.08 million as at March 31, 2021 (March 31, 2020 Rs. 242.72 million).

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice subject to the continuance of satisfactory credit ratings.

ii. ***Maturities of financial liabilities***

The amounts disclosed in the table are the contractual undiscounted cash flow's of financial liabilities. Balance's due within 12 months equal their carrying balance's as the impact of discounting is not significant.

Rs. in Millions

Contractual maturities of financial liabilities	within 1 Years	1 to 2 years	2 to 5 years	Total
March 31, 2021				
Trade payable	542.16	-	-	542.16
Short term borrowings	223.39	-	-	223.39
Trade deposits	-	-	34.25	34.25
Leased Liability	89.96	66.86	146.85	303.67
Other financial liabilities	335.98	-	-	335.98
Total	**1,191.49**	**66.86**	**181.10**	**1,439.45**
March 31, 2020				
Trade payable	753.97	-	-	753.97
Short term borrowings	540.41	-	-	540.41
Trade deposits	-	-	34.55	34.55
Leased Liability	96.39	172.95	35.32	304.66
Other financial liabilities	332.35	-	-	332.35
Total	**1,723.12**	**172.95**	**69.87**	**1,965.94**

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C. Market risk

Market risk is the risk that changes in Market prices such as foreign exchange rates and interest rates will affect the Company's income or the value of it's holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

I. *Foreign currency risk*

The Company transacted in USD for procurement of raw material and sale of goods. Consequently the Company is exposed to a minimal foreign exchange risk through its purchases from overseas suppliers and sales to overseas customers in foreign currency.

In Millions

Particulars	Currency	March 31, 2021		March 31, 2020	
		Foreign Currency	Local Currency	Foreign Currency	Local Currency
Trade receivable	USD	0.01	0.40	-	-
Claim receivable	USD	0.08	5.52	0.20	15.20
Trade payable	USD	0.01	0.73	0.05	3.88
Trade payable	GBP	*	0.08	0.08	7.69

* below rounding off norms

Sensitivity:

The company operates mainly in local currency and no/or minimum exposures to foreign currency. Hence no sensitivity analysis has been carried out.

II. *Interest rate risk*

The company's main interest rate risk arises from long-term borrowings with variable rates, which expose the company to cash flow interest rate risk. During the year ended on March 31, 2021 and March 31, 2020, the company's borrowings at variable rate were mainly denominated in INR.

a. Interest rate risk exposure

The Company's interest rate risk arises from borrowings. Borrowings obtained at variable rates expose the Company to interest rate risk.

As a part of Company's interest risk management policy, treasury department closely tracks the base interest rate movements on regular basis. Based on regular review, management assesses the need to enter into interest rate swaps, contracts to hedge foreign currency risk. Management reviews the future movement in base rate against different factors such as overall micro and macro economic factors, liquidity in the system, expected spending cycle. Further on regular basis management assess the possibility of entering into new facilities which would reduce the future finance cost which helps management to mitigate the risk related to interest rate movement.

b. Sensitivity :

The Company's policy is to minimize interest rate cash flow risk exposures on long-term borrowing. The company has exposure to local currency. The local currency loans are linked to bank base rate/ marginal cost of funds based lending (MCLR).

The sensitivity of profit or loss due to changes in base rate / MCLR is as follows

Rs. in Millions

Particulars	Impact on profit before tax	
	March 31, 2021	March 31, 2020
Interest rates — increase by 25 basis points (25 bps) *	0.56	1.35
Interest rates — decrease by 25 basis points (25 bps) *	(0.56)	(1.35)

* Holding all other variables constant

The bank deposits are placed on fixed rate of interest of approximately 4% to 9%. As the interest rate does not vary unless such deposits are withdrawn and renewed, sensitivity analysis is not performed.

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Notes to the financials statements (continued)
For the year ended March 31, 2021
Note 38 : Fair value measurements

A. Accounting classifications and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy.

March 31, 2021 — Rs. in Millions

Particulars	Carrying amounts valued at				Fair value			
	FVTPL	Amortised cost	Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Investments in preference shares of subsidiary	300.00	-	-	300.00	-	-	300.00	300.00
Financial assets not measured at fair value*								
Investments in government securities	-	0.03	-	0.03	-	-	-	-
Trade receivables	-	898.71	-	898.71	-	-	-	-
Cash and cash equivalents	-	441.53	-	441.53	-	-	-	-
Security deposits	-	64.17	-	64.17	-	-	-	-
Term deposit with banks	-	247.84	-	247.84	-	-	-	-
Other financial assets	-	20.33	-	20.33	-	-	-	-
Total financial assets	300.00	1,672.61	-	1,972.61	-	-	300.00	300.00
Financial liabilities not measured at fair value*								
Short term borrowings	-	223.39	-	223.39	-	-	-	-
Trade deposits	-	31.25	-	31.25	-	-	-	-
Other deposits	-	3.00	-	3.00	-	-	-	-
Trade payables	-	542.16	-	542.16	-	-	-	-
Creditors for capital goods	-	18.78	-	18.78	-	-	-	-
Lease liabilities	-	239.19	-	239.19	-	-	-	-
Other financials liabilities	-	317.20	-	317.20	-	-	-	-
Total financial liabilities	-	1,374.97	-	1,374.97	-	-	-	-

* The Company has not disclosed the fair value for financial instruments such as trade receivables, cash and cash equivalents, term deposits with banks, other financial assets and financial liabilities because their carrying amounts are a reasonable approximation of fair value, due to their short-term nature.

March 31, 2020 — Rs. in Millions

Particulars	Carrying amounts valued at				Fair value			
	FVTPL	Amortised cost	Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Investments in preference shares of subsidiary	547.70	-		547.70	-	-	547.70	547.70
Financial assets not measured at fair value*								
Investments in government securities	-	0.03		0.03	-	-	-	-
Trade receivables	-	1,024.33		1,024.33	-	-	-	-
Cash and cash equivalents	-	5.52		5.52	-	-	-	-
Security deposits	-	61.29		61.29	-	-	-	-
Term deposit with banks	-	4.65		4.65	-	-	-	-
Other financial assets	-	24.76		24.76	-	-	-	-
Total financial assets	547.70	1,120.58	-	1,668.28	-	-	547.70	547.70
Financial liabilities not measured at fair value*								
Short term borrowings	-	540.41		540.41	-	-	-	-
Trade deposits	-	31.25		31.25	-	-	-	-
Other deposits	-	3.30		3.30	-	-	-	-
Trade payables	-	753.97		753.97	-	-	-	-
Creditors for capital goods	-	35.90		35.90	-	-	-	-
Lease liabilities	-	238.41	-	238.41	-	-	-	-
Other financials liabilities	-	296.45		296.45	-	-	-	-
Total financial liabilities	-	1,899.69	-	1,899.69	-	-	-	

* The Company has not disclosed the fair value for financial instruments such as trade receivables, cash and cash equivalents, term deposits with banks, other financial assets and financial liabilities because their carrying amounts are a reasonable approximation of fair value, due to their short-term nature.

There are no transfers between any levels during the year.

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For the year ended March 31, 2021
B. Measurement of fair values

i. Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial instruments measured at fair value	Discounted cash flows: The valuation model considers present value of expected cash flows to be generated by the investee discounted using a risk-adjusted discount rate.	a. Earnings growth rate b. Risk adjusted discount rate	The estimated fair value would increase (decrease) if: - annual expected cash flows were higher (lower) - the risk-adjusted discount rate were lower (higher)

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:
- Estimating future cash flow and discounted cash flow analysis.

The fair values have been determined based on present values and the discount rates used were adjusted for counterparty credit risk.

C. Level 3 fair values:

i. Reconciliation of Level 3 fair values:

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

Rs. in Millions

Particulars	Investment in preference shares
As at March 31, 2019	535.95
Gains/losses recognised in profit or loss	11.75
As at March 31, 2020	547.70
Redemption of preference shares	(150.00)
losses recognised in profit or loss on redemption of preference shares	(32.57)
Gains/(losses) recognised in profit or loss	(65.13)
As at March 31, 2021	300.00

ii. Sensitivity analysis:

For the fair values of investment in preference shares of subsidiary, reasonable possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects on the fair value:

Particulars	Fair value as at		Significant unobservable inputs *	Probability-weighted range	
	March 31, 2021	March 31, 2020		March 31, 2021	March 31, 2020
Unquoted preference shares	300.00	547.70	Earnings growth rate Risk adjusted discount rate		5% 14.5%
Increased earnings growth factor (+50 basis points (bps)) and lower discount rate (-50 bps)				refer note below	67.50
lower earnings growth factor (-50 bps) and higher discount rate (+50					(55.40)

Note : Subsequent to year end, these preference shares have been redeemed at par value of Rs.10/- per share. Accordingly, the fair value of these preference share as on March 31, 2021 have been considered as Rs.10 per share.

Significant estimates
The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see above.

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Notes to the financials statements (continued)
For the year ended March 31, 2021

Note 39 : Contingent liabilities

Claims against the Company not acknowledged as debts as at March 31, 2021

Rs. in Millions

Sr. No.	Particulars	March 31, 2021	March 31, 2020
a)	Sales Tax/Entry Tax matters	11.11	15.58
b)	Service Tax	10.54	10.54
c)	Provident Fund matter	53.61	53.61
	Total	75.26	79.73

Notes:

1) The Company is in the process of evaluating the impact of the Supreme Court ("SC") judgement dated February 28, 2019 in the case of Regional Provident Fund Commissioner (II) West Bengal v/s Vivekananda Vidyamandir and Others, in relation to non-inclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to Provident Fund ("PF") under the Employees' Provident Fund & Miscellaneous Provisions Act, 1952. Based on legal advice received by the management, there are interpretation issues relating to the said SC judgement and review petitions are pending before the SC in this matter. In the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in the financial statements.

2) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.

3) The Company is also contesting other civil claims against the Company not acknowledged as debts and the management believes that its position will likely be upheld in the appellate process and accordingly no provision has been recognised in this financial statements

4) A Search and Seizure Operation ('the Operation') was conducted by the Income Tax Department during the month of December 2020 under section 132 of the Income-tax Act, 1961. The Company has till date not received any intimation or notice to file returns or any demand for taxes further to the Search and Seizure. Based on the enquiries made by the Income tax department and the Company's submissions thereto, Management is of the view that the matters involved are normal tax matters in respect of certain tax deductions and allowances, and accordingly the Operation will not have any significant impact on the Company's financial position and performance as at and for the year ended 31 March 2021 and hence no provision has been recognized as at 31 March 2021.

5) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The Company does not expect the outcome of these proceedings to have any effect on its financial position.

Note 40 : Capital and other commitments (to the extent not provided for)

A) Capital Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances) Rs. 14.63 millions (March 31, 2020: Rs. 15.43 millions)

B) Financial guarantees given

The Company has given security and corporate guarantee on behalf of its Holding Company for loan taken from financial institution, the amount of security and corporate guarantee amounts to Rs. 1,884.80 million and Rs. 1,076.12 respectively (March 31, 2020: Nil).

Note 41 : Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Rs. in millions

Particulars	Note	March 31, 2021	March 31, 2020
Current			
Financial assets			
Trade receivables	11	898.71	1,024.33
Cash and cash equivalents	12	441.53	5.52
Bank balances other than above	13	247.84	4.65
Other financial assets	14	10.81	18.01
Other current assets	15	258.06	358.52
Non-financial assets			
Inventories	9	1,147.18	953.96
Total current assets pledged as security		3,004.13	2,364.99
Non Current			
Property, plant and equipment (refer note below)	2	1,884.80	-
Total non current assets pledged as security		1,884.80	-
Total assets pledged as security		4,888.93	2,364.99

Note: The Company has pledged asset of Rs. 1,884.80 million on behalf of its Holding Company for loan taken from financial institution.

ZUVENTUS HEALTHCARE LIMITED
Notes to the financials statements (continued)
For the year ended March 31, 2021

Note 42 : Earnings per share

Particulars	March 31, 2021	March 31, 2020
Basic / Diluted earning per share		
A. Profit after tax attributable to equity shareholders (Rs. millions)	1,014.78	608.75
B. Weighted average number of equity shares for the year	2,00,55,180	2,00,55,180
Basic/Diluted earnings per share (Rs.) (A/B)	**50.60**	**30.35**
Face value per share (Rs.)	**10.00**	**10.00**

Note 43 : Segmental reporting
The Company has identified "Pharmaceuticals" as the only primary reportable segment.

Secondary Segment (By geographical segment)

Rs. in Millions

Particulars	March 31, 2021	March 31, 2020
Sales		
India	8,080.81	8,205.48
Outside India	14.07	0.32
Sub Total (A)	**8,094.88**	**8,205.80**
Other Operating revenue		
India	26.00	25.83
Outside India	-	-
Sub Total (B)	**26.00**	**25.83**
Total (A+B)	**8,120.88**	**8,231.63**

Non-current assets used in the Company's business or liabilities contracted have not been identified to any segment as the non-current assets and services are used interchangeably between segments. Accordingly no disclosure relating to total segment assets and liabilities is made.

In view of the interwoven/intermix nature of business and manufacturing facility, other segmental information is not ascertainable.

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Note 44 : Assets and liabilities relating to employee benefits

a. ***Defined contribution plans***

The company has certain defined contribution plans. Contributions are made to provident fund and family pension fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund and family pension fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs. 102.38 million, (March 31, 2020 Rs. 99.16 million.).

Defined Contribution Plans: The company has recognised the following amount in the statement of profit and loss for the year

Rs. in Millions

Particulars	**March 31, 2021**	**March 31, 2020**
Contribution to employees' provident fund	64.16	61.74
Contribution to employees' family pension fund	38.22	37.42
Others	13.04	15.05
Total	**115.42**	**114.21**

b. ***Post-employment obligations***

Gratuity

The company provides for gratuity for employees as per the payment of gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contributions to fund managed by Life Insurance Corporation of India. Contributions are made as per the demands by LIC of India.

These defined benefit plans expose the Company to actuarial risks, such as interest rate risk, etc.

c. ***Defined benefit plans***

The amounts recognised in the balance sheet, profit or loss, other comprehensive income and the movements in the net defined benefit obligation are as follows:

Rs. in Millions

Particulars	**Present Value of Obligation**	**Fair Value of Plan assets**	**Total**
As at April 1, 2019	**206.22**	**(151.07)**	55.15
	-	-	
Current service cost	28.36	-	28.36
Transfer In/(Out)	0.28	(0.42)	(0.14)
Interest expenses/(income)	13.17	(11.95)	1.22
Mortality charges and taxes	-	1.90	1.90
Total amount recognised in profit and loss	**41.81**	**(10.47)**	**31.34**
Remeasurements of:			
(Gain)/loss from change in demographic assumptions	(0.79)	-	(0.79)
(Gain)/loss from change in financial assumptions	8.74	0.70	9.44
Experience (gains)/losses	27.06	(2.09)	24.97
Total amount recognised in Other Comprehensive Income	**35.01**	**(1.39)**	**33.62**
Employer contribution	-	(49.41)	(49.41)
Benefit payments	(25.24)	25.24	-
As at March 31, 2020	**257.80**	**(187.10)**	70.70
Current service cost	43.42	-	43.42
Transfer In/(Out)	2.93	(2.84)	0.09
Interest expenses/(income)	13.91	(11.04)	2.87
Mortality charges and taxes	-	2.13	2.13
Total amount recognised in statement of profit & loss	**60.26**	**(11.75)**	**48.51**
Remeasurements of:			
(Gain)/loss from change in demographic assumptions	23.61	-	23.61
(Gain)/loss from change in financial	(28.68)	2.58	(26.10)
Experience (gains)/losses	(9.49)	(5.97)	(15.46)
Total amount recognised in Other Comprehensive Income	**(14.56)**	**(3.39)**	**(17.95)**
Employer contribution	-	(37.06)	(37.06)
Benefits payments	(13.68)	13.68	-
As at March 31, 2021	**289.82**	**(225.62)**	64.20

Note 44 : Assets and liabilities relating to employee benefits (continued)

d. ***The net liability disclosed above relates to funded and unfunded plans are as follows:***

Rs. in Millions

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Present value of obligation	289.82	257.80
Fair value of plan assets	(225.62)	(187.10)
Deficit of funded plan	**64.20**	**70.70**

The company has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The company intends to continue to contribute the defined benefit plans as per the demand from LIC of India.

Principal actuarial assumptions as at the reporting date:

Particulars	As At	
	March 31, 2021	March 31, 2020
Discount rate	5.70%	5.50%
Expected rate of return on plan assets	5.50%	6.80%
Salary escalation rate	7.00%	10.00%

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

e. ***Sensitivity analysis:***

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions , holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below.

Particulars	Change in Assumption		Impact on defined benefit obligation			
			Increase in Assumption		Decrease in Assumption	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Discount rate	1.0%	1.0%	(10.15)	(6.77)	11.00	7.18
Salary escalation rate	1.0%	1.0%	8.18	4.57	(7.69)	(4.40)
Withdrawal rate	1.0%	1.0%	(0.82)	(1.08)	0.88	1.14

Assumptions regarding future mortality for gratuity benefit is set based on actuarial advice in accordance with published statistics and experience in the domicile country of the Company.

f. ***Risk exposure***

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed

i. Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. All assets are maintained with fund managed by LIC of India.

ii. Changes in bond yields: A decrease in bond yields will increase plan liabilities.

iii. Future salary escalation and inflation risk : Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements. Hence Company is encouraged to adopt asset-liability management.

The Company's assets are maintained in a trust fund managed by public sector insurance company via, LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years.

g. ***Defined benefit liability and employer contributions***

The Company has agreed that it will aim to eliminate the deficit in gratuity plan over the years. Funding levels are assessed by LIC on annual basis and the company makes contribution as per the instructions received from LIC. The Company compares the expected contribution to the plan as provided by actuary with the instruction from LIC and assesses whether any additional contribution may be required. The company considers the future expected contribution will not be significantly increased as compared to actual contribution.

Expected contributions to post-employment benefit plans for the year ending March 31, 2022 are Rs. 64.20 millions (March 31, 2021 : 50 million)

The weighted average duration of the defined benefit obligation is 5.06 years (March 31, 2020 : 3.19 years). The following benefits payments are expected to be paid:

Rs. in million

Particulars	Less than 1 year	between 1-2 years	between 2-5 years	over 5 years	Total
March 31, 2021	92.52	48.30	136.15	158.10	435.07
Defined benefit obligation - gratuity					
March 31, 2020	88.46	66.84	117.03	90.70	363.03
Defined benefit obligation - gratuity					

h) ***Major plan assets***

Rs. in million

Particulars	March 31, 2021	March 31, 2020
	Unquoted	Unquoted
Investment funds		
Insurance funds (LIC pension and group schemes fund)	225.62	187.10
Total	**225.62**	**187.10**

The category wise details of the plan assets is not available as it's maintained by LIC.

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Note 45 : Employees stock option plan

Share-based compensation benefits are provided to employees via the holding company's Employees Stock Option Plan ("Emcure ESOS 2013")

The fair value of options granted under the "Emcure ESOS 2013" is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options on the grant date:

- including any market performance conditions
- excluding the impact of any service and non-market performance vesting conditions, and
- including the impact of any non-vesting conditions.

In the given case all options are issued by the holding company. The company does not have an obligation to settle these share based payment transactions, therefore these options are treated as equity settled transactions. Expense is recognised over the vesting period with corresponding increase in other equity.

Summary of options granted under the plan:

Particulars	**Tranche - 1**		
	Exercise Price	**March 31, 2021**	**March 31, 2020**
Date of grant	**October 01, 2013**		
Opening balance	221*	70,000	70,000
Cancelled during the year	221*	(40,000)	-
Closing balance	**221***	**30,000**	**70,000**
Exercisable		-	-

*During the year ended March 31, 2016, the company had issued bonus shares to its shareholders in the ratio of 3:1. Correspondingly, proportionate adjustment has been made by increasing the number of options granted and reducing exercise price per option. Board of directors vide resolution dated January 29, 2016 has approved the adjustments to options granted.

No options expired during the periods covered in the above tables.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant Date	**Exercise Share options price (Rs.) March 31, 2021**	**Number of share options March 31, 2021**	**Exercise Share options price (Rs.) March 31, 2020**	**Number of share options March 31, 2020**
October 1, 2013	221	30,000	221	70,000
Total	221	30,000	221	70,000
Weighted average remaining contractual life of options	7 Years		6 Years	

Expenses arising from share-based payment transaction

Rs. in millions

Particulars	**March 31, 2021**	**March 31, 2020**
Expense arising from employee share-based payment plan recognised in statement of profit and loss	7.55	-
Expense arising from employee share-based payment plan recognised in reserve and surplus	2.45	-

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Notes to the financials statements (continued)
For the year ended March 31, 2021

Note 46 : Related Party disclosure

I) Related parties and the nature of relationship

Holding Company
Emcure Pharmaceuticals Limited

Fellow Subsidiary
Gennova Biopharmaceuticals Limited

Key Management Personnel
Mr. Satish Mehta - (Chairman)
Mr. Prakash Guha - (Managing Director)
Mr. Sanjay Mehta - (Director)
Mrs. Namita Thapar - (Director)
Mr. S K Bapat - (Independent Director)
Mr. Hitesh Jain - (Independent Director)

Enterprise over which Key Management Personnel have significant influence:
H.M. Sales Corporation
Parinam Law Associates

Relative of Key Management Personnel
Sohan Kundenmal Jain

II) Transactions with related parties:

Rs. in Millions

Sr. No.	Description of the nature of the Transaction	Volume of transactions during		Amount outstanding as at			
		2020-21	2019-20	31 March 2021 Receivable	31 March 2021 Payable	31 March 2020 Receivable	31 March 2020 Payable
1)	**Purchase of goods and services (Net of returns)**						
	Emcure Pharmaceuticals Limited	429.39	182.47	-	6.56	-	15.63
	Gennova Biopharmaceuticals Limited	26.76	26.12	-	-	-	-
	Parinam Law Associates	0.84	0.29	-	-	-	-
	Sohan Kundenmal Jain	0.15	-	-	-	-	-
2)	**Purchase of assets**						
	Emcure Pharmaceuticals Limited	13.59	-	-	-	-	-
3)	**Sale of goods and services**						
	Emcure Pharmaceuticals Limited	89.62	46.54	1.15	-	-	-
	H.M. Sales Corporation	0.05	-	-	-	-	-
4)	**Deposits paid**						
	Emcure Pharmaceuticals Limited	-	-	1.00	-	1.00	-
5)	**Redemption of OCRPS**						
	Gennova Biopharmaceuticals Ltd.	150.00	-	-	-	-	-
6)	**Commission paid**						
	H.M. Sales Corporation	11.20	11.37	-	3.10	-	2.99
7)	**Reimbursement of expenses made**						
	H.M. Sales Corporation	0.72	0.73	-	0.23	-	0.09
8)	**Loss on redemption of preference shares**						
	Gennova Biopharmaceuticals Limited	32.57	-	-	-	-	-
9)	**Fair value changes in investment in preference shares**						
	Gennova Biopharmaceuticals Limited	65.13	11.75	300.00	-	547.70	-
10)	**Remuneration paid**						
	Mr. P K Guha	48.79	44.18	-	9.58	-	6.22
11)	**Post-employment obligations**						
	Mr. P K Guha	1.68	2.37	-	18.72	-	17.04
12)	**Compensated absences provisions**						
	Mr. P K Guha	0.17	0.41	-	5.14	-	4.97
13)	**Dividend paid**						
	Emcure Pharmaceuticals Limited	159.60	303.24	-	-	-	-
	Mr. P K Guha	25.11	47.71	-	-	-	-
	Mr. Satish Mehta	0.63	1.20	-	-	-	-
	Mr. Sanjay Mehta	0.11	0.20	-	-	-	-
14)	**Commission paid - Non Whole Time Directors**						
	Mr. S.K. Bapat	3.00	2.50	-	3.00	-	2.50
	Mr. Hitesh Jain	1.20	0.70		1.20		0.70
15)	**Sitting fees paid - Non Whole Time Directors**						
	Mr. S.K. Bapat	0.21	0.20	-	-	-	-
	Mr. Hitesh Jain	0.17	0.15	-	-	-	-
16)	**Lease expense including interest as per Ind AS 116**						
	Emcure Pharmaceuticals Limited	9.35	8.99	-	-	-	-
17)	**Corporate guarantee given on behalf of Holding Company to Financial Institution**						
	Emcure Pharmaceuticals Limited	1,076.12	-	*	-	-	-
18)	**Security given on behalf of Holding Company to Financial Institution**						
	Emcure Pharmaceuticals Limited	1,884.80	-	*	-	-	-
19)	**Income from corporate guarantee and security given on behalf of Holding Company**						
	Emcure Pharmaceuticals Limited	4.06	-	-	-	-	-

* Note : The outstanding balance of corporate guarantee and security given as at 31,March 2021 is Rs.1,076.12 million and Rs.1,884.80 million respectively.

All transaction with these related parties are prices on an arm's length basis and resulting outstanding balance to be settles in cash within six month of the reporting date. None of the balance is secured.

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Notes to the financials statements (continued)
For the year ended March 31, 2021
Note 47 : Revenue from contract with customer

Rs. in millions

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Revenue recognised from contracts with customers		
Disaggregation of revenue		
Based on markets		
Within India	8,081.90	8,206.61
Outside India -		
Other continents	14.07	0.32
Total	**8,095.97**	**8,206.93**
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	11.38	10.78
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-

There is no significant change in the contract liabilities.
The Company satisfies its performance obligations pertaining to the sale of goods at point in time when the control of goods is actually transferred to the customers. No significant judgment is involved in evaluating when a customer obtains control of promised goods. The contract is a fixed price contract subject to return and do not contain any financing component. The payment is generally due within 30 to 60 days.
The Company is obliged for returns/refunds due to expiry & saleable returns. There are no other significant obligations attached in the contract with customer.

There is no significant judgement involve in ascertaining the timing of satisfaction of performance obligation and in evaluating when a customer obtains control of promised goods.
The transaction price is ascertained and allocated to the performance obligations based on the standalone price of individual performance obligation.

The transaction price ascertained for the only performance obligation of the Company (i.e. Sale of goods) is agreed in the contract with the customer. There is no variable consideration involved in the transaction price.

Reconciliation of contract price with revenue recognised in statement of profit and loss:

Rs. in millions

Particulars	Amount	Amount
Contract price	8,378.43	8,549.72
Less:		
Sales returns	(282.46)	(331.08)
Allowance for Interest loss	-	(11.71)
Revenue recognised in statement of profit and loss	**8,095.97**	**8,206.93**

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Note 48: Specified Bank Notes

The disclosure regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 have not been made since the requirement does not pertain to financial year ended March 31, 2021.

Note 49 : Information regarding Micro, Small and Medium Enterprises

The information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Rs. in millions

Particulars	31st March 2021	31st March 2020
i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	-	-
ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprise Development Act, 2006.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	-	-
Total	-	-

Note 50 : GST refund received

The Company is entitled to subsidy in the form of proportionate refund of GST paid in cash (i.e. other than utilising input credit) by its unit at Jammu and Sikkim for a period not exceeding ten years from the date of start of commercial production. There are no unfulfilled conditions or other contingencies attached to this grant.

Note 51 : Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a corporate social responsibility (CSR) committee has been formed by the Company. The areas for CSR activities are promoting education, healthcare and ensuring environmental sustainability. Amount spent during the year on activities which are specified in Schedule VII of the Companies Act 2013 are as mentioned below :

a) Gross amount of Rs.13.52 millions (March 31, 2020 : Rs.12.21 millions) required to be spent by the company during the year.

b) Amount spent during the year on

Rs. in Millions

Particulars	Paid	Yet to be paid	Total	Paid	Yet to be paid	Total
	March 31, 2021			March 31, 2020		
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) On purposes as mentioned above	13.61	-	13.61	11.08	-	11.08

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Notes to the financials statements (continued)
For the year ended March 31, 2021

Note 52 : Expenditure on research and development during the year

Revenue expenditure incurred on Research and Development including in house research & development is Rs. 68.86 millions (March 31, 2020 : Rs. 61.13 millions). Capital expenditure in relation to acquisition of fixed assets, incurred on research and development including in house research and development is Rs. 11.68 millions(net of disposals) (March 31, 2020 : Rs. 2.88 millions).

Note 53 : Code of Social Security

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Indian companies in the group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stake holders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Note 54: Other

1) The financial statements have not been authenticated by a Chief Financial Officer ("CFO") as required under Section 134 (1) of the Companies Act, 2013 (" the Act") due to vacancy in the office of CFO from 23rd April 2021. The Company is in process of appointing CFO as required under Section 203(1) of the Act.

2) In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Company has considered internal and external information while finalizing various estimates in relation to its financial statement captions upto the date of approval of the Statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

The notes referred to above form an integral part of the financial statement.

As per our report of even date attached.

For B S R & Co. LLP
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek

Abhishek
Partner
Membership No. 062343

For and on behalf of the Board of Directors
of Zuventus Healthcare Ltd
CIN U85320PN2002PLC018324

Satish Mehta
Chairman
DIN - 00118691

P. K. Guha
Managing Director
DIN - 00118415

Chetan Sharma
Company Secretary
Membership No. F8352

Place: Pune

Date: May 27, 2021

Place: Pune

Date: May 27, 2021